

Speech: Brexit and global trade: The UK's approach

Good morning.

It is a pleasure to be here today in Mexico City, to speak to you about Britain's new place in the world, and the growing importance of the relationship between the UK and Mexico.

I would like to extend my thanks to HSBC for hosting such an excellent event, and giving me the opportunity to share the government's vision of the UK's commercial and economic future.

It is fitting that we are hosted by HSBC, the largest UK investor in Mexico. Their presence here is not only an important part of the commercial ties that already connect our nations, but also indicative of the future direction of that relationship.

Last night, I was fortunate enough to enjoy dinner with my colleague, Minister for the Economy Ildefonso Guajardo.

We stressed the need to redouble our efforts to increase bilateral trade between the Mexico and the UK, especially given the wealth of opportunities that exist in both countries.

Like me, Minister Guajardo sees the need to champion global free trade, and ensure that the larger economies of the world, such as the UK and Mexico, work together to reverse a rising tide of protectionism.

Our agreement on these key issues is symbolic of the wider relationship between Mexico and the United Kingdom.

Fundamentally, our 2 nations have a very similar global outlook. So much so, that we have hardly ever disagreed on the world stage.

Time and again, at the UN, the G20, and the WTO, the UK and Mexico have shown a united front, working together to address global issues.

This closeness has been underlined by the personal ties that continue to link our 2 countries, as increasing numbers of people move between Mexico and the UK to travel, work, and study.

But there is more to do. The level of trade and commerce between 2 large economies can, and should, be far greater.

At our meeting last night, Secretary Guajardo and I launched an informal Trade Dialogue, aiming at discussing how to ensure that the preferential arrangements that the UK currently enjoys with Mexico remain in place as we leave the EU.

At the same time, we reiterated our support for an ambitious and speedy outcome to the modernisation of the EU-Mexico FTA.

As I said last night, there are no conceivable circumstances in which the UK would not want to have a free trade agreement in place with Mexico.

Going forward, our priority must be to ensure stability, continuity and transitional agreements that minimise disruption for businesses.

In the same way, the UK wants the closest possible relationship with our European neighbours, with no interruption of our trading relationship.

This will provide the most stable platform for those companies from other countries, such as Mexico, who use Britain as an access point to Europe.

Outside the EU, it is Britain's ambition to be a tireless advocate of global free trade, working with allies such as Mexico to ensure that the voice of commercial freedom is never drowned out by the increasing siren song of protectionism.

I am here today in Mexico City not only to celebrate the existing relationship between our nations, but to look to the opportunities of the future.

It is clear to any observer that Mexico's star is in the ascendancy.

Buoyed by a far-reaching package of economic reforms, including opening up the energy and telecoms sectors, and reforming the financial and education system, your economy has maintained steady growth throughout the global slowdown.

British businesses believe in Mexico, and are matching that faith with investment. Petrofac and Premier Oil have long been involved in the energy sector.

I was delighted to hear of the recent discovery of 1 billion plus barrels of light oil in the Zama-1 field, a resource which British companies will have a key role in extracting.

Mexico City's new international airport has been designed by Norman Foster, in a collaboration with distinguished Mexican architect Fernando Romero.

Hamley's, a British institution, has opened a store here, and, soon, state of the art British double-decker buses will be a regular sight on Reforma.

To top it off, BP has recently become the first foreign oil company to open petrol stations in Mexico, and Shell will follow next month. The belief that UK businesses have in Mexico is palpable.

The UK boasts more Mexican masters' students studying in our universities than anywhere else in Europe. Last year, Mexican and British scientists became the first in the world to develop a vaccine against Chikungunya, a tropical disease spread by mosquitos.

Already, our 2 countries enjoy a remarkably successful relationship.

Earlier, I touched on our shared beliefs and global attitudes. I understand that Mexico has voted more times with the UK in the UN and multilateral institutions than with any other nation.

This shows a remarkable, and important, convergence in opinion, especially for 2 countries situated over 5,000 miles from one another.

This can, and will, be the foundation of a deeper trading relationship, as Britain looks to build new trading relationships with new friends around the world.

I have spoken of how companies from across the United Kingdom are seizing the opportunities that Mexico has to offer.

But trading relationships have to go both ways, and the UK promises huge prospects for Mexican firms.

As the world's fifth largest economy, there is a huge market for everything from oil and gas, tourism, manufactured goods and food and drink.

The structure of our economy also has the potential to be hugely complementary to Mexico's interests. Our world-leading expertise in industries such as transport, manufacturing, education, and healthcare allow UK companies to help their Mexican counterparts grow domestically.

As the world's leading financial services centre, London is well-placed to lend its expertise to Mexican industry, whether through financing, insurance or business services.

And although there is currently only one Mexican company registered on the London Stock Exchange, we would encourage many more to follow.

For example, we are world leaders in green finance, and UK firms have worked closely with Mexico to support the development of Mexico's green bond market and clean energy certificates.

Mexico is now the leader in Latin America at issuing green bonds, including a \$2 billion bond, underwritten by HSBC, for the new Mexico City airport, a shining example of successful British/Mexican collaboration in design and innovation.

The UK is home to a globally unique concentration of skills, knowledge, expertise and industries. We are constantly ranked among the best places on earth to start and grow a business, thanks in part to our progressive regulatory environment, robust legal system, and highly skilled workforce.

These intrinsic strengths will always remain. Indeed, the UK attracted more foreign direct investment projects than ever before in the year 2016 to 2017, with more than 2,200 projects recorded.

Already, companies from throughout Mexico are coming to take advantage of all

the UK has to offer, including Cemex, Mexichem, Bimbo, Gruma, Kidzania, Monex and Jose Cuervo, to name a few.

They are the pioneers of what will become an extremely fruitful relationship.

They are also innovators and this is something else that unites us. I am delighted that [Innovation is GREAT](#) features today at the breakfast, as part of a year-long Innovation campaign at the embassy.

And I understand that distinguished Mexican chef, Martha Ortiz, will be opening a new, top class Mexican restaurant in Central London in September.

This will help promote appreciation of Mexico's outstanding cuisine and hospitality, a little of which I have already experienced in my short visit.

In the course of my meetings many have asked about the implications of Brexit for our bilateral relations. It is true that as we leave the EU we are opening a new chapter in our history.

For the first time in more than 4 decades, the UK will enjoy a fully independent trade policy, free to build closer trading ties with countries around the world, with partners new and old.

But let me make one thing clear. Any who are tempted to see our exit from the EU as evidence of Britain looking inwards should think again. We have chosen another path – to embrace the wider horizons of a truly global Britain.

That means looking for new opportunities and it represents a willingness to invest the time and energy to make the necessary partnerships succeed over a long period.

With increased bilateral trade, increased investment, and a strong strategic partnership, the UK-Mexico trading relationship is set to change radically. It can be a step change in our mutual commitment.

Already, we are working together to support each other's growth and development through exciting work streams and partnerships such as the Prosperity Fund and Senior Business Leaders Group, and I am delighted that several members of the group are represented here today.

As we work together to promote the trade and investment opportunities that exist between our 2 countries, our relationship will go from strength to strength.

And as Britain embraces the wider world, we will stand together with Mexico to defend free trade, and all the transformative prosperity that it can bring.

After all, it is through our friends and allies that we achieve our ambitions.

Thank you.