

Speech: Liam Fox celebrates the UK and China's shared commitment to innovation

Thank you all for being here tonight.

This evening is an opportunity for Britain and China to come together. A chance to identify our shared ambitions, our mutual strengths and the opportunities we have to work together to shape the future of global trade.

But, first and foremost, we are here tonight to celebrate the upcoming [GREAT Festival of Innovation](#).

The festival, which will take place in March just a few miles away in Hong Kong, will bring together some of the UK and Asia's most pioneering companies.

It will be a gathering like no other – an opportunity to share innovations that will drive the future of free trade and for businesses to build lifelong partnerships.

It is this spirit of friendship and commonality that I wish to speak to you about tonight.

It is fitting that this evening we are gathered in Shenzhen, a city with innovation in its DNA.

Shenzhen, as the technological capital of China, is the engine room that will power China in the age of the fourth industrial revolution.

In a matter of decades, Shenzhen has transformed from a small fishing village into a dynamic and youthful city with a population of more than 11 million.

Much of this success has been down to this city's dynamism, and its dedication to technical advancement.

With research and development investment accounting for 4% of GDP – double the national average – and patent applications standing at the highest in China for 10 consecutive years, it cannot be denied that we stand in a city that is unapologetically focused on the future.

Across this city, some of the world's most talented minds are coming together to design tomorrow's technology.

Shenzhen is a world-leading producer of drones, electric cars and DNA sequencing machines.

It is clear that this city has much to offer the world.

But I am here this evening to talk about what the United Kingdom can offer Shenzhen.

Yesterday, I had several hours of constructive and positive talks with Commerce Minister Zhong Shan where we discussed the opportunities that result from the complementary nature of our economies.

Technology is clearly one but there are others. Another lies in food and drink.

China will need to ensure that there is a sufficient supply of quality foodstuffs available for its growing population and especially its burgeoning middle class.

Britain will want to ensure better and more predictable incomes for our farmers as we leave the EU so that we can attract investment and improve productivity.

We must work together in the months ahead to ensure that we address any concerns that Chinese authorities have so that the Chinese people can enjoy the benefits that quality UK beef, lamb and poultry can bring. Our already growing exports of food and drink can improve further with the lifting of market access barriers.

There is a great opportunity to be ambitious about our future trading relationship to the benefit of both sides. We will continue to explore all our options together.

When the UK voted in 2016 to leave the European Union, there were many around the world that portrayed the result as a symptom of insularity.

They predicted that Britain would be turning in on itself, abdicating its international responsibilities and severing global ties.

I am here to tell you that nothing could be further from the truth.

Instead, last year's referendum vote to leave the European Union has offered us an unprecedented opportunity.

For the first time in more than 4 decades, we have the opportunity to forge new trading partnerships around the world, with old friends and new allies alike.

We are building a Global Britain – a country that champions commercial freedoms, prizes international talent, and helps the world's most dynamic and innovative enterprises to reach their potential.

We want to see companies, like those that join us today, succeed. We want to see Shenzhen succeed.

As shown by figures from the Shenzhen Statistics Bureau, UK-Shenzhen trade is already worth more than US\$6 billion a year and the UK is the largest EU source of Foreign Direct Investment to the city – with investments totalling

around US\$1.4 billion.

Likewise, the innovative firms that have made Shenzhen their home are growing their businesses in the UK, with Huawei alone employing more than 1,500 staff across the UK.

The UK and Shenzhen share common strengths. Fintech, information and communications technology, advanced healthcare, artificial intelligence, advanced manufacturing and clean energy are all industries in which we are both seeking to blaze a trail.

These areas of commonality mean opportunities for our businesses. Opportunities for UK and Chinese firms of all sizes to trade with one another, to share expertise and to secure investment.

Indeed this evening we're very lucky to be joined by some of the excellent British food and drink manufacturers who are meeting the growing demand from Chinese consumers. If you haven't done so already I would urge you to sample the delicious products being showcased today, including smoked salmon from H. Forman & Son, cider from Brothers, cheese from Somerdale, and ale from Badger.

In 2016 China became the ninth largest importer of British food and drink and early figures for 2017 show a move to eighth place.

Tonight, and all through the Great Festival of Innovation, we come together to fortify our bonds and fundamentally to support one another to achieve our ambitions.

Britain's decision to leave the European Union is our acknowledgement that our destiny lies not only in our valued friendship with Europe, but also the wider world.

Earlier I quoted some rather impressive statistics relating to UK-Shenzhen trade and investment. These figures, while heartening, fail to show the real impact and value of trade.

Trade and investment creates jobs, supports the livelihoods of real people, means the food and clothes that we buy in the shops are more affordable and that businesses can grow and thrive.

In short, it means for us a more prosperous Britain and a more secure world.

That is why, far from retreating from the world, we are extending the hand of friendship beyond the borders of Europe.

Being a globally minded country is in our very nature. We are in the right time zone to trade with Asia in the morning and America in the afternoon. We champion business-friendly regulation, are home to the world's leading financial sector, are the number one destination for inward investment in Europe and boast some of the world's best universities that bring students from across the world together.

In the first full year since the referendum we saw the highest number of foreign direct investment projects into the United Kingdom in our history, a 13.5% rise in our exports and record employment. A vote of confidence from global investors.

Last year our government launched a modern [industrial strategy](#) for the United Kingdom. It is a long-term plan to boost the productivity and earning power of people throughout the UK.

It focuses on the 5 foundations of productivity: ideas, people, infrastructure, business environment and places.

The strategy sets out how we are building a Britain fit for the future and how we will respond to the technological revolution taking place across the world.

Technology will disrupt nearly every sector in every country, creating new opportunities and challenges.

We, like our partners in Shenzhen, are focused on seizing these opportunities. From the data-driven economy to the future of mobility, we want to back visionary businesses to make their mark.

As you will see there are many parallels between the United Kingdom's modern Industrial Strategy and the new area strategy for Guangdong.

We both share the ambition of supporting our industries to be world leaders in research, manufacturing, life sciences and high technology.

We also have a shared understanding of the vital role that transport and infrastructure play in driving productivity.

While of course there are many ways in which our worlds differ, it is impossible not to be struck by the commonality.

That is why I truly believe the UK and the Greater Bay Area can and should work together to achieve these great aims and to be partners as we nurture innovation-driven economies.

The scale of opportunity for UK business to export to, partner with, and invest in this region is unrivalled.

My department, which is responsible for trade and investment, wants to offer more support to those UK companies who see China as their trading partner of the future, and to do more to engage with Chinese investors, encouraging them to take advantage of opportunities in the UK.

That is exactly why in March we will be hosting the GREAT Festival of Innovation in Hong Kong. I hope many of you will be there joining hundreds of other international business leaders and investors.

The festival will showcase the very best of British and Asian innovations in how we will learn, live, work and play in the future across multiple sectors.

It will be a meeting of brilliant minds. It will provide an opportunity for British and Asian visionaries to forge new trade links and strengthen existing relationships.

The event will be the third in a series of successful GREAT festivals in 5 years, following the success of the GREAT Festivals of Creativity in Istanbul in 2014 and Shanghai in 2015, with the latter generating over £800 million in business.

I look forward to welcoming you all to the festival, to join the most exciting, dynamic and successful companies that the Asian tech sector has to offer.

I hope this evening I have imparted some of the optimism that my colleagues and I feel at this juncture in our history. It is a new, exciting chapter for the United Kingdom, but also for our valued friendship with Shenzhen and China. The opportunities and the prizes of the future are there to be shared together.

Thank you.