

Speech: Liam Fox celebrates UK-Israel trade relationship

Good morning.

It is an honour to be here today to address the Jewish Care business breakfast, and to join the distinguished list of speakers who have addressed this gathering.

Over the course of my career I have had the pleasure to speak at many charitable gatherings, for a wide variety of good and noble causes.

I'm not sure I have ever, though, addressed a charity which is as comprehensive in its philanthropy as Jewish Care.

And your organisation not only provides important care for the elderly members of the Jewish community, but also for those with dementia, disabilities, or mental health issues.

You even provide leadership opportunities for young people, helping them to develop vital life skills.

Before I entered parliament, I worked as a GP. I have experienced first hand how much of a difference charitable organisations like Jewish Care can make, caring for the most vulnerable people in our society.

It is work that is, sadly, too often overlooked by those without direct experience of it. Yet charities can provide targeted care within communities, often reaching parts where the state cannot.

For those of you in a generous mood, there are few organisations more worthy of your munificence.

I know that you have not invited the Secretary of State for International Trade here to wax lyrical about the virtues of Jewish Care, or of charity in general.

But I do see a clear connection between trade and philanthropy.

Without the prosperity that trade engenders, charitable organisations could not flourish, yet there is also a more immediate connection.

The great rabbinical philosopher, Moses Maimonides wrote that:

The highest level of Tzedakah or Charity, is that which enables the recipient to become self-reliant.

For millions of the world's poorest people, trade has meant exactly that.

As economies across the world have liberalised, opportunities for employment, or commerce, have lifted billions from poverty.

According to the World Bank, the 3 decades between 1981 and 2011 witnessed the single greatest decrease in material deprivation in human history – a truly remarkable achievement.

It is hard to imagine an international aid programme – even one as generous as our own – that would or could have been so effective.

It was no coincidence that this period coincided with the great liberalised economies of India and China opening up to the world.

At a fundamental level, free and open trade allows people to improve their own lives, allowing the individual to access global opportunities. It delivers employment, goods and services, often where they are needed most.

Across the world, trade has created prosperity, where once there was only deprivation.

Of course, the United Kingdom has benefitted vastly from centuries of trade, and its promotion comes with a degree of economic self-interest.

We must recognise, though, that there is also an equally strong social and moral case for the defence of trading freedoms.

And I say ‘social’ because whilst trade has delivered vast benefits to those in developing countries, it has also has a transformative effect on the lives of our own people.

Although it might not always be noticed, the wider benefits of a liberal trade policy have spread to British consumers and households by providing a wider choice of goods at a lower price.

Free trade is not only vital in ensuring that supplies of raw materials and everyday essentials like food and clothing are available in the UK; but it also increases the quality of those products, and helps to drive down prices.

In the decade to 2006, the real import price of clothing fell by 38%. In the same period, the price of consumer electronics, as we all know, fell by 50%, despite all the rapid technological achievements of that period, what went from a \$4,000 brick called the mobile phone at that time turns into a super computer in the palm of your hand at a fraction of the price. That is what liberal and open trade can provide.

As a consequence, living standards in this country are now at their highest level in history.

Yet ‘Free Trade’ as a concept is often regarded with suspicion or simple indifference by consumers, who often fail to see how it can make a difference to their lives.

I believe that open, liberal free trade is undeniably a good thing.

It is unfortunate, though, that trading freedoms can no longer be taken for granted.

Last year, the World Trade Organization estimated that the growth in global trade could be as little as 1.8%, falling below the growth in global GDP. This is the inverse of the normal relationship and it's unhealthy, history tells us in the long term.

Moreover, research by the OECD that shows that protectionist instincts have grown since the financial crisis of 2008.

In 2010 G7 and G20 countries were operating some 300 non-tariff barriers to trade – by 2015 this had mushroomed to over 1,200.

So clearly, free trade is in need of a champion. The case for commercial freedom must be made at every level.

To consumers we must show that, when a foreign company invests in your area and creates jobs – that is free trade.

When you use a smartphone or a flat-screen TV at a lower price – that is global free trade.

Or when you go to a supermarket and you buy your fruit and meat and vegetables you want all year round, rather than relying on our own seasonal produce – that is global free trade in action.

These benefits often go unrecognised, even at an official level.

Last Spring, I was at the World Economic Forum in Davos, at a meeting of trade minister from the world's major economies.

It was a full 54 minutes – just shy of an hour – before a single one of the world's trade ministers said the 'C-word'. Consumers were never mentioned at that meeting. We have got to also champion the consumer interest and such a state of affairs illustrates perfectly that a wider recognition is needed of the benefits that free trade can bring to ordinary people.

Those who shape international trade policy must no longer see commercial freedoms solely as a means of reaching a narrow macroeconomic advantage, but as a force for social and geopolitical good.

Those countries, like the United Kingdom, who have benefitted the most from free trade, cannot, in good conscience, pull up the drawbridge. There is a moral obligation to pass on the benefits of free trade to our less developed partners, allowing them access to our markets, or our skills and our expertise.

Such a policy would benefit all of humankind.

My Department for International Trade was founded last year to make Britain a global champion of free trade once again.

We are in a unique position to use our economic and diplomatic influence to extend and protect commercial freedoms across the world.

Of course, as a department of state of the UK, our primary purpose is to ensure that global trade bestows its benefits on Britain.

Our vision is of a UK that trades its way to prosperity, stability and security, and our mission is to help businesses export, drive investment, open up markets and champion free trade.

Liberalisation of the global economy is firmly within this country's interests, and we are ready to take advantage of the historic opportunities that have been presented to this country.

Our departure from the European Union after some 44 years of membership will bring challenges. Yet it will also offer almost limitless possibilities.

For the first time in more than four decades this country will have a fully independent trade policy, to be shaped to best serve the interests of British consumers, British businesses, and the British economy.

The potential of this should not be underestimated. The trading bloc of the European Union has served parts of our economy well, but it is a model that is fundamentally outdated in the age of globalisation.

New technology has reduced the barriers of distance and time, and being tied to other nations simply through geographical proximity is no longer necessary especially in an economy like the UK, which is now 80 % services. The British people have opted not for insularity, but internationalism.

We will soon be in a position to revitalise our existing trade relationships, and to build new connections with those growing economies that will drive prosperity in the 21st century.

Don't believe me, go and look at the EU's website. The EU trade page says in the next 10 to 15 years 90% of global growth will be beyond the borders of Europe. That is where we need to be.

To ignore such possibilities would be a great disservice to the British people.

This vision of the future is central to the government's ambition to build a truly global Britain.

This is about building a country that is a bold, outward-looking champion of free trade.

The UK will lead the defence of the rules-based international system as a newly independent member of the WTO, while forging agreements with partners across the world.

The state of Israel will, of course, be a key partner in that future.

As a longstanding friend of the Israeli people, I was delighted to attend the Tel Aviv in London festival last month.

I was struck by the many similarities between the 2 cities, not only in their formidable international reputations for technology, innovation and financial services, but in the vibrancy of the culture that we share.

These parallels are indicative of the complimentary nature of the Israeli and UK economies. It is a strong foundation from which to enhance our future relationship.

The UK is already the number 1 destination in Europe for Israeli investment, with over 300 companies already operating here.

Yet there is more to be done and more to be achieved. One of the things that I am proud of in my department has been the creation of a UK-Israel Trade Working Group, designed to identify and remove barriers to trade between our 2 countries. This will not only strengthen our bilateral relationship, but provide a strong foundation for further progress upon our exit from the EU, as well as providing greater prosperity, stability and security in Israel itself.

And this is one of the themes that we have across our government because trade is not only done for itself; it provides a prosperity which underpins social cohesion.

That social cohesion helps in turn to underpin political stability and that political stability is a contribution to our wider security.

All of them are parts of a continuum which cannot be disrupted, which is something that both the UK and Israel understand well.

In the extensive travels undertaken by myself and the other departmental ministers in the past 15 months, I have been struck by the sheer level of enthusiasm that exists across the world for Britain's new role.

Nations are not only lining up to enhance their trading relationship with our country, but also to access our wealth of talent, knowledge and expertise.

Our global brand remains incredibly strong. People want to 'buy British' and they want to partner British as well. Globally the commercial prospects for this country have never been brighter and we must embrace them with confidence and optimism.

We are opening a new chapter in our nation's history, but the story has not yet been written.

I believe that politics is a binary choice. You can either shape the world around you, or you'll be shaped by the world around you.

The United Kingdom has the ability to shape the world – all we require is the confidence to do it.

My department stands ready to help shape the future of global trade, placing Britain back at its heart.

Free trade may be a centuries-old concept, but it is also the key to projecting this country's prosperity far into the future.

Sir Winston Churchill once called free trade "a condition of progress". Once again, the great man's words have stood the test of time.

It is incumbent upon all of us to defend that progress.

There will be challenges ahead, but we have the ability, the vision and the determination to shape the future as we see fit.

We are not passengers to our own destiny. We can make change happen if we choose to do so and change we will.

Thank you.