

# Speech: TheCityUK Annual Dinner 2019: Chancellor's speech

Paul, thank you very much for those kind words of introduction, and for inviting me to speak to you again tonight.

Let me start where you left off, by offering my thanks to John, as he steps down later this year as Chairman of TheCityUK's Board.

I know you are a keen singer John. So let me just say that your leadership was pitch perfect...and best of luck with the next gig.

And, of course, thanks to you too, Paul, as you start your final year as Chairman of the Advisory Board.

This really is the changing of the guard for TheCityUK, and I thank you both for your exceptional leadership over a critical period.

Let me also pay tribute to all of you in this room.

You lead and champion a crucial sector of the British economy...

...supporting business with capital and services...

...and households with mortgages, insurance and pensions.

You contribute over £176 billion of GVA to our economy...

...creating a trade surplus of over £75 billion at the last count...

...and employing more than 2 million people in every region and nation of the UK.

But as the world changes, so must The City.

And I want to talk this evening about how we work together to ensure that your sector remains at the forefront as Britain rises to the challenges of a changing world...

...and that the UK continues to be a world-leading finance and business centre long after the Brexit turmoil has died down.

There is a story about a politician whose wife would introduce him at speaking events, by saying:

I am afraid my husband cannot speak for more than ten minutes, or he will have a problem with his throat – I will slit it.

My wife, sadly, isn't here tonight, but with the dessert still to come, I

promise you I will pretend she is.

Let me start by updating you on Brexit.

I do, of course, understand your frustration at the Brexit process.

I cannot make it go away...

...(the frustration nor the process)...

...but I can try to explain what is happening and what is likely to happen next.

Last night's vote gives us, for the first time, a clear commitment by Parliament to support a deal.

But it is, of course, a deal with significant differences to the one that has been agreed with the EU...as I think the EU quickly observed!

So we face a challenging task in seeking to persuade the EU to move its position. But that is what we will be seeking to do.

The PM also made a very important commitment to those who were seeking to prevent a "No Deal" outcome.

She told them that yesterday would not be their last chance to attempt to persuade the House to do so – and that there will be an opportunity to repeat last night's vote on February 14th.

So we now have a clear timescale: the PM will work up a new proposal to put to the EU over the coming days.

She will negotiate on the basis of that proposal for the very best deal it is possible to secure – and will bring that back for approval by the Commons.

If that approval is not forthcoming, there will be a further opportunity for Parliament to reach a majority decision about how to proceed on February 14th.

Navigating Brexit in good order is clearly our most immediate task – but it is not the only challenge on the horizon.

Nor, over the long-term, is it necessarily the most significant.

The City would be facing profound change, even if we were not leaving the EU.

The global economy is changing; an irreversible shift of wealth and power is taking place.

Dramatically higher savings rates in some Emerging Market economies...

...and the growth of a vast new middle class...

...mean the geographical balance of asset holdings is changing at a breath-

taking pace.

At the same time, the technology revolution is having a profound impact on our economy and society...

...forcing us to take radical action to ensure we have the skills and talent we need for the future.

Against this backdrop, and even without Brexit, we would have had to make the case all over again for Britain as the best place in the world for financial and business services.

And we have a plan to do so.

We start from a position of strength.

The City has a long history of dynamism and agility, and significant structural advantages, that mean it is well-positioned to respond to challenges and turn them into opportunities.

The fundamentals of our economy are robust...

...we are dealing with the deficit, cutting taxes, and tackling the productivity challenge through our modern Industrial Strategy...

...and it has grown continuously for eight years – proving remarkably resilient in the face of Brexit uncertainty.

Paul, you rightly challenged me on what the government is doing about investment and infrastructure.

And I have an answer:

Through initiatives like the National Productivity Investment Fund...

...the government is delivering the biggest sustained programme of public sector investment since the 1970s...

...and is committed to 2.4% of GDP being spent on research and development, in a partnership with industry to ensure Britain remains at the cutting edge.

But despite these successes I am not for one moment, complacent about our economic performance; I know we will only stay ahead by being one step ahead of the competition.

So let me set out my vision for the future prosperity of the UK's finance sector – and then, I promise, it will be time for dessert.

First, our future success will depend on becoming more, not less open as an economy.

The deal that we have negotiated with the EU – which remains in my opinion the best basis for a negotiated Brexit...

...means that we will retain close economic and trading links with our EU neighbours, including in financial services, even as we leave the EU.

But of course, that relationship will evolve...

...and over time we must expect EU business to be a gradually declining share of our financial services exports...

...as a steadily rising proportion will be with the fast-growing economies beyond Europe.

We are well equipped to make this transition.

We have always had a global outlook – part of the world, not just part of Europe.

Our historic relationships mean we are uniquely well-positioned to build trade and economic partnerships with the fastest expanding markets.

And we should not underestimate the significance of the change that is underway in the global balance of financial power...

...nor the scale of the opportunity it represents.

Emerging and developing economies together are home to 85% of the global population and 90% of people under 30...

...and their economies already account for nearly 60% of global economic activity and one third of global trade...

...but they account for just 10% of the global financial system.

So, as savings accumulate and the new middle class grows exponentially...

...there is an enormous opportunity for the City.

The government is taking action to support you to take advantage of this profound transformation.

Our Global Financial Partnerships strategy is an ambitious programme to build Financial Services links with sophisticated financial centres around the world...

...that will provide new levels of market access and new channels into emerging and developing economies for UK businesses.

That strategy will utilise the new flexibilities at our disposal as we leave the EU...

... as well as leverage existing approaches, like bilateral Dialogues and regulatory cooperation.

So that a Bank based in London can deliver services as easily to a business on the other side of the world as it can today to one on the other side of

the Channel.

We are already seeing the first fruits in insurance agreements signed in recent weeks with the US and Switzerland.

I am grateful for your support and input in developing this strategy – and I look forward to working with TheCityUK to build on this momentum in the months ahead.

In parallel with these profound changes, the rising tide of protectionism is imposing tariffs on hundreds of billions of dollars of trade.

I am clear that Free Trade is the only way to secure prosperity around the world.

So we need to make and remake the case for free and open markets.

But we must also make the case for reform.

And nowhere is that reform more needed than in liberalising the rules for trade in services.

Services now account for 65% of global GDP...

...and as much as 80% of the most developed economies.

So liberalising trade in services would be one of the simplest and quickest ways to rebalance global trade.

Doing so would be:

...good for the global economy as a whole – IMF analysis shows that reducing trading costs for services by 15% could boost total GDP of G20 countries by more than \$350 billion this year...

...good for developing countries, with the IMF and World Bank estimating that liberalising services trade could raise manufacturing productivity in these economies by over 22%...

...and exceptionally good news for the UK as the world's second largest exporter of services.

So I very much welcome the start of formal negotiations in Davos last week on the eCommerce agreement between 75 WTO members.

But we must go further still.

The UK will lead the world in arguing for services liberalisation, through pushing for ambitious services provisions in Free Trade Agreements...

...and multilaterally through the wider WTO reform agenda...

...using our expertise to shape and influence the liberalisation of the global services economy.

In the new global economy, our world-leading record on innovation and technology will secure the UK's competitive advantage.

Nowhere is that truer than in financial services.

The FinTech revolution is driving a remarkable transition in the way we access financial services – changing the way these services work, and the structure of the industry.

And Britain is at the forefront of it.

We've heard a lot about 'unicorns' over the last few weeks. But frankly, I'm more interested in growing tech 'unicorns', than slaying Brexit ones..

A record-breaking £12 billion was invested in UK Fintech in the first six months of last year alone – so I expect to see a lot more of them, grazing contentedly in UK fields, in future.

But alongside investment and innovation, a safe and transparent regulatory environment – one that fosters, rather than stifles, innovation – will be a key location driver for cutting edge technology businesses in the years to come.

So we've set up the Cryptoassets Taskforce to provide certainty about regulation and tax while protecting consumers and markets in the face of growing use of cryptoassets and distributed ledger technology.

We are leading the world in meeting the ethical challenges of technology innovation, by establishing the Centre for Data Ethics and Innovation...

...and through the Regulators' Pioneer Fund, we are supporting our statutory regulators to develop world-leading regulatory responses to the challenge of new technology.

Finally, for the professional services industry, Britain must remain open to talented professionals from around the world. And it will.

As we leave the European Union, free movement from the EU will end...

...and we will move to a globalised immigration system.

But the Immigration White Paper is clear, it proposes removal of the cap on numbers for highly skilled workers, and the resident labour market test; and the continuation of short-term business mobility.

Our objective is a system that responds to public concerns about freedom of movement, while protecting our economy...

...by making sure that businesses can get the talented people they need, when they need them, with minimal friction.

We have announced a 12-month engagement period – and I urge the City to engage constructively with this process.

Domestic skills will also be crucial to the future of this sector. And I'd like to thank TheCityUK, and Mark Hoban in particular, for their crucial work on our domestic skills pipeline.

I look forward to hearing your proposals soon.

The City has long been a world-leading financial centre;

Our history is one of innovation, resilience and openness.

Our success today is built on a complex ecosystem, not easily or quickly replicable by others.

But to remain ahead, we must evolve, as we have done continuously in the past.

Managing our exit from the EU...

...developing new opportunities in our domestic market...

...and building our presence in the fast-growing Emerging Market economies.

Fighting for liberalisation of trade in services...

...embracing and shaping technology...

...leading the regulatory response to it...

...and developing the skills we need for our future.

Working together...

...capitalising on London's strengths...

...we will build the most cyber-secure; best regulated; most innovation-friendly financial centre in the world.

The trading location of choice.

Match fit, and ready for the future.

Let's do it together.

---

## **[News story: Readout from PM Business Council: 30 January 2019](#)**

This afternoon, the Prime Minister hosted the first meeting of her Industrial, Manufacturing and Infrastructure Business Council at Downing

Street.

The council, co-chaired by Sir Roger Carr, Chairman of BAE Systems and Ian Davis, Chairman of Rolls Royce, is one of five business councils formed by the Prime Minister to advise on how to create the best business conditions in the UK after its leaves the EU.

Business Secretary Greg Clark and Cabinet Secretary Sir Mark Sedwill also joined the meeting.

The Prime Minister welcomed the members of the council, who represent companies from industries including automotive, energy and advanced manufacturing. She also provided an update on Brexit, following the votes on the next steps in the Commons.

They discussed a range of opportunities and policy issues that are critical to these industries and spoke about how we can work together to implement change that will improve the productivity and competitiveness of companies of all sizes across the UK.

Areas of discussion included skills and training, both in the workplace and in education, and the role of technology in improving productivity, infrastructure and investment. They also spoke about the importance of engaging with young people about business and its importance on their lives and our economy.

All looked ahead to exploring and taking forward their ideas further before their next meeting.

- Ian Davis, Chairman, Rolls Royce – Co-Chair
  - Sir Roger Carr, Chairman, BAE Systems – Co-Chair
  - Tony Walker, MD, Toyota Europe
  - Cressida Hogg, Chairman, Land Securities
  - Dame Angela Strank, Head of Technology Downstream & BP Chief Scientist  
BP
  - Richard Gillingwater, Chairman, SSE
  - Liv Garfield, CEO, Severn Trent
  - Andrew Churchill, Executive Chairman, JJ Churchill
  - Arthur Pinder, MD, A & G Precision
  - Emma Bridgewater, CEO, Bridgewater
  - Michael Ryan, President, Aerostructures and Engineering Service,  
Bombardier
  - David Thomas, CEO, Barratt Developments PLC
  - Stephen Phipson, CEO, EEF
-

# Speech: Unacceptable conditions in Syria

Thank you Mr President, and let me give thanks to the role of Kuwait of humanitarian co-penholders and by thanking Kuwait and Sweden for their outstanding efforts – especially the renewal in December of UNSCR 2449 on cross-border aid to Syria for another year. Let me also set out the United Kingdom's full support for SRSG Pedersen and our ongoing belief that only a political solution based on Resolution 2254 of this Council can bring sustainable peace.

But Mr President today I'm going to focus my comments on humanitarian issues and let me take Under-Secretary-General Mark Lowcock's four points as a guide.

So firstly in northwest Syria the United Kingdom is concerned about the growing presence of HTS and the implications of any increase in violence for the ongoing humanitarian response. We remain highly concerned for the 3 million vulnerable people in the area – over 2 million of whom are entirely reliant on cross-border aid. 50 per cent of the population of that area have been displaced from their homes – sometimes multiple times – stretching scarce resources beyond their limits and putting further strain on host communities.

Mr President, we must not lose sight of the risks. Under-Secretary-General Lowcock has spoken of a catastrophic humanitarian impact if a military intervention takes place. It is vital that the ceasefire negotiated by Russia and Turkey is maintained.

Mr President, the situation of the estimated 42,000 people in Rukhban remains of serious concern. Eight children have died there in the last month. Sustained humanitarian access is crucial. It is welcome to hear that verbal approvals have been given and security guarantees made. This must now be followed through on the ground and in reality. The second convoy is vital but it will not alone solve the problem. Our focus must be on ensuring quality access for the United Nations and its humanitarian partners. That means access for the UN to independently assess needs, deliver assistance and monitor the impact of that assistance. We urge the Syrian authorities and those with influence over them to ensure that this happens.

In 2018 the United Nations asked the Syrian authorities to undertake 1382 missions. Over half were never approved. We should all be able to agree that this is unacceptable.

Mr President, let me say that I agree with the Russian Ambassador's comment that politicisation of humanitarian assistance is unacceptable. In that regard the United Kingdom is deeply concerned that conditions in former opposition-held areas that the regime now controls. Claims that life there has returned to normal are false. People there risk arbitrary detention,

conscription and discrimination based on their perceived attitude towards the Assad regime. This is clearly not an environment for safe, dignified, voluntary refugee return – the conditions set out by UNHCR.

Up to one-third of people living in areas that have changed control in the past year are in so-called “hard to reach” areas. They are only hard to reach because the Syrian authorities do not allow the United Nations’ sustained humanitarian presence in those areas and thus humanitarian needs are particularly severe. Again this is unacceptable. The Syrian regime should not politicise humanitarian assistance. For our part, Mr President, the United Kingdom will continue to fund humanitarian assistance according to need – not any other criteria. Those funds from the United Kingdom have been distributed by the United Nations and their humanitarian partners all over Syria, as set out in the various documents and reports of OCHA and others.

The Syrian crisis has been the United Kingdom’s biggest ever humanitarian response. We have mobilised \$3.5 billion of support since 2012, including a new commitment of over \$450 million at the last pledging conference in Brussels.

Let me close Mr President by saying I agree entirely with the French Ambassador’s comments about reconstruction.

Thank you very much, Mr President.

---

## **Press release: UK and Chile sign continuity agreement**

This trade continuity agreement will see British businesses and consumers benefitting from preferential trading arrangements with Chile after we leave the European Union.

Her Majesty’s Ambassador to Chile Jamie Bowden signed the UK-Chile agreement in Santiago today (Wednesday 30 January) with Chilean Foreign Minister Roberto Ampuero.

The news has been welcomed by the Wine and Spirit Trade Association, which confirmed that this is important to protect parts of the UK’s wine industry, which contributes almost £19 billion to the UK economy supporting around 190,000 jobs.

This trade continuity agreement has been agreed as we prepare to leave the EU on 29 March, and we expect to sign a number of other agreements due to be agreed in the coming weeks.

This certainty will help to further strengthen the trading relationship

between the UK and Chile which was worth £1.8 billion and grew by 11% in 2017.

UK manufacturers benefit from preferential access to the Chilean market to sell their goods, and UK consumers benefit from lower prices on Chilean goods, such as wines, fruits and nuts and other products.

Trade in goods and services between the UK and Chile has grown by 9% per year on average since the agreement was provisionally applied in 2003. UK exports to Chile have grown by 16% on average each year and a total increase of 351% since the agreement was provisionally applied.

The agreement also protects intellectual property rights and maintains preferential market access for trade in services.

It will also allow British and Chilean companies to bid for some public sector contracts in each other's countries, helping to create jobs and deliver better value for taxpayers.

**International Trade Secretary Dr Liam Fox said:**

Today we have signed an important trade continuity agreement as we prepare to leave the European Union. This will ensure there is no disruption to British business exporting to Chile after we leave the EU and will mean consumers continue to benefit from low prices and more choice on supermarket shelves.

Our trading relationship with Chile continues to go from strength to strength, with exports rising over 20% to almost £1 billion last year. This free trade agreement will allow trade to continue as freely as it does currently and will help to strengthen our trading relationship even further.

**Her Majesty's Ambassador to Chile Jamie Bowden said:**

The UK and Chile enjoy a long-lasting trade relationship. The UK is still working to achieve an agreement with the European Union on the terms of our departure. The success of those talks will determine whether the current EU-Chile agreement ceases to apply to the UK at the end of March this year, or at the end of an Implementation Period.

In either scenario, the agreement we have signed today means that there will be no disruption to UK-Chile trade as the UK leaves the EU.

## **A spokesperson for the Wine and Spirit Association said:**

The WSTA welcomes the signing of the UK Government's continuity trade agreement with Chile.

It is imperative for the UK wine industry that trade with Chile remains undisrupted. In the last 12 months UK consumers bought the equivalent of 105 million bottles of Chilean wine with sales worth some £720 million. That amounts to about 9% of the total UK still wine sales by volume and 8% by value.

The agreement avoids unnecessary tariffs which will ultimately save consumers money. Without this agreement tariffs added to wine from Chile coming to the UK would cost industry an estimated £9.2 million.

The new UK-Chile agreement replicates the existing trading arrangements as far as possible. It will come into effect as soon as the implementation period ends in January 2021, or on 29 March 2019 if the UK leaves the EU without a deal.

## **POLITICAL DECLARATION:**

The UK International Trade Secretary Dr Liam Fox and Minister of Foreign Affairs for Chile, Mr. Roberto Ampuero have agreed the text of the Agreement establishing an Association between the United Kingdom of Great Britain and Northern Ireland and the Republic of Chile (UK-Chile Agreement). This agreement replicates the effects of the existing EU-Chile Association Agreement to ensure continuity in the trading relationship between Chile and the UK when the UK ceases to be bound by that Agreement. In signing the UK-Chile Agreement, both parties have ensured certainty for businesses, consumers and investors following the UK's withdrawal from the EU.

In light of this success, in all situations, both countries reaffirm their ambition to further enhance and modernise the thriving trading relationship between Chile and the UK in the future. This Agreement will pave the way for an ambitious relationship between Chile and the UK's complementary economies. With bilateral trade already worth £1.8 billion in 2017, the Ministers approve both countries aiming to develop the economic and trading relationship, endeavouring to deepen links in key sectors. The UK-Chile Agreement includes mechanisms for the UK and Chile to enhance this agreement. The UK and Chile can also enhance their trading relationship through the UK's potential accession to the CPTPP, which Chile would be keen to support.

---

# Speech: Lord Ahmad Speech at the Commonwealth Youth Roundtable Event

Your Royal Highness, distinguished guests and young leaders of the Commonwealth, it is an immense pleasure for me as Minister of State for the government, to welcome you here to Lancaster House and continue the conversation many of us started in April last year on the vision of CHOGM 2018, and most importantly the focus of the youth forum.

I am particularly delighted that we are joined by His Royal Highness, The Duke of Sussex, who will speak in a moment about his work as Commonwealth Youth Ambassador.

Your Royal Highness, may I say how delighted we are that the Duchess of Sussex has become patron of the Association of Commonwealth Universities and I know she will be an energetic and inspiring champion in every sense. There is a small event happening very shortly in your lives, but I'm sure, as The Duchess of Sussex said herself during the Commonwealth Summit, she's very much looking forward to her role within the context of the Commonwealth family.

Your Royal Highness, over the last 10 months, the UK as Chair-in-Office, has been working very closely with member states, the Commonwealth Secretariat and the Commonwealth's many organisations and networks to ensure that we deliver, and act, on the outcomes and ambitions of the Summit and Heads of Government meeting.

We have already allocated over £500 million towards projects under the four themes of the summit, and we have already made good progress.

We are building, firstly, a more secure future through programmes to strengthen countries' cyber resilience. This is a particular priority for me personally as the government's cyber minister. We are building a prosperous future by improving employment prospects for young people through investment in training and skills development programmes. And importantly we are also investing in a fairer future through supporting the provision of 12 years of quality education for girls and boys, with a commitment from the United Kingdom of over £200m of UK funding.

However, there is also an important priority which I know is close to your heart, Sir, on the issue of a sustainable future. We, together with Vanuatu, are co-leading the Commonwealth Clean Oceans Alliance to tackle marine plastics, which now has 24 members of the Commonwealth, to many of whom we are giving technical and direct assistance. And we are also funding research to accelerate the development of new malaria treatments.

The 1.4 billion young people of the Commonwealth will define the future. Indeed, you are already defining the present, as those of us in this room will testify. All of you are advocating for issues that matter to everyone;

you are involved in delivering development programmes; you are creating businesses, you are creating wealth and employment; you are holding your governments to account, and most importantly your personal examples of the work you do is inspiring others across the globe.

Direct engagement between governments and young leaders is not just a nice thing to do, it is the right thing to do, it is essential. We must have our young leaders working hand-in-glove with all the member states, the Secretariat, and the Commonwealth's networks and organisations. Young people must not just be engaged, they must be directly involved and I assure you that as a minister responsible I pledge, together with our team here, to continue working directly with you, throughout our Chair-in-Office period and beyond, and that's what brings us together here today.

Before we kick off the discussions I would like to now invite His Royal Highness The Duke of Sussex to speak to us about his role as Commonwealth Youth Ambassador. Your Royal Highness, we are again honoured you've joined us today, and it's over to you.