

# The UK-Japan Free Trade Summit

Good morning. Thank you, Sir David [Wright], for your introduction, and to City and Financial Global for organising today's event.

I am delighted to be here at this important summit alongside Hiroshi Matsuura and Graham Zebedee, the chief negotiators of the United Kingdom and Japan's great new trade deal.

We are here today to talk about the political, economic, and financial opportunities ahead for our like-minded island nations.

## **Political vision: Alliance of democratic nations**

2021 is a crucial year. The UK is back as an independent trading nation, with a lower, simpler and greener tariff regime and deals done covering 63 nations plus the EU – securing £897 billion of trade.

Of these deals, our new Comprehensive Economic Partnership Agreement with Japan is the jewel in the crown as we go for the first time under the UK's independent trade policy further and faster in digital and data, the creative industries, rules of origin and legal protection for UK food and drink.

As we prepare to champion free and fair trade on the world stage, I cannot think of a better nation to be standing alongside us than Japan.

We can help the world build back better after the Covid crisis through the UK's hosting of the G7 this year and Japan's chairing of the Comprehensive and Progressive agreement for Trans-Pacific Partnership.

These are golden opportunities for us together to advance the cause of free and fair trade.

As the hosts of the G7, the UK will be inviting other leading democracies as guests to support our alliance of democratic nations. We need to work together with these countries, who alongside us cover 52 per cent of world GDP, to ensure free trade is not undermined by practices such as environmental degradation, non-market economies artificially subsidising goods or the violation of human rights.

We will work together in the run-up to the first WTO Ministerial Conference for three years, likely to be held in December.

Today, of course, sees the inauguration of President Biden, who has said he is committed to working with fellow democracies to set the rules of the road of international trade. I look forward to working with the newly appointed United States Trade Representative, Katherine Tai, to work on that alliance of democratic nations.

I know that Japan too is a close ally of the United States, and together we can support democracy, rules-based trade and a cleaner planet.

## **Bilateral relationship**

Japan and the UK are natural partners in this mission.

As island nations, we both have to trade in order to improve the prosperity of our people and to secure the goods that we need. Autarky is not an option.

But we also know that trade has brought huge prosperity to our nations. Look at how Japan thrived from the 1960s by embracing exports and competitive taxes... and the benefits felt across the UK after Margaret Thatcher ushered in new Japanese investment.

Put simply, trade equals jobs... as Japanese investment supports over 150,000 jobs across the country from Nissan in Sunderland to Fujitsu in Birmingham.

As fellow democracies, we have a strong shared interest in ensuring trade does not undermine our values and the way of life we have built over generations.

We have a huge opportunity to set new standards in new areas like digital and data, intellectual property, services trade and environmental provisions.

We have seized this opportunity by agreeing a truly British-shaped trade deal, which delivers more for our key industries than before.

I am proud to say the terms of the deal are now live, which means that right now:

Our technological innovators can benefit from a joint digital market, built on cutting-edge provisions protecting the free flow of data, source code and banning data localisation.

Our services providers can do business in the third largest economy in the world even more easily through clear, transparent rules for visas and greater mobility arrangements.

And our creative industries will have their brands protected, as we go beyond the EU in tackling the online infringement of IP rights.

I am looking forward to delivering the full benefits of our deal this year... with over 70 of our fantastic products from Welsh lamb and Scotch beef to English sparkling wine set to be protected geographical indications, subject to domestic processes.

We will work to ensure all British businesses can access the opportunities on offer through our network of International Trade Advisers, the Export to Japan portal and our information on Gov.uk.

## **CPTPP**

This agreement paves the way for the UK to join Japan in one of the world's most dynamic trading areas: CPTPP.

Japan was instrumental in making this high-standards agreement happen through

its vision of a group of like-minded nations wanting to shape global trade in the right way.

We will shortly submit our formal request to join this free trade area, and are delighted that Japan is ready to welcome the UK into the fold, alongside other vibrant members such as Chile and New Zealand.

The benefits are there to see, whether it is the deeper access to nearly £9 trillion of GDP covered by its members, the modern rules of origin, the 95% tariff-free trade on goods traded between members from cars to seafood, or the modern standards in services, data and digital trade.

These modern standards would play to the UK's strengths as a global hub for services and technology trade. We are already the second largest exporter of services globally, and third in the world for billion dollar "tech unicorn" success stories.

Together, we can help set the standard for trade in the 21st century, promote higher standards in green trade and pile pressure on the World Trade Organisation to reform.

The WTO Ministerial Conference later this year is a real opportunity for us to tackle the disputes and dysfunctionality that have riven the global trading system, as we build back a better trading environment.

## **UK-Japan: building back better**

After a thorough and fair negotiation with my good friend and counterpart Toshimitsu Motegi and his team, I am proud to say Japan and the UK have a fantastic trading relationship.

We are perfect partners as island democracies. We share a desire for free and fair trade under cutting-edge rules, as promoted by CPTPP, while delivering jobs and opportunity at home.

But this alliance is not just about supporting our economies through trade. We are working together on security and defence; we are pushing new frontiers in innovation through our Global Partnership on AI and we are both committed to net zero in the run up to Cop26. On every front, Japan is showing itself to be a true friend of the United Kingdom.

My hope is that 2021 can be the year our two great island democracies weather the unprecedented challenges caused by this Covid crisis and build back better so we can seize the unparalleled opportunities ahead. Together, we can make that happen.

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# United Kingdom – Canada Regulatory Cooperation

## News story

UK-Canada Regulatory Cooperation: Guidance on Veterinary Drug Simultaneous Reviews published.



The Veterinary Medicines Directorate and Health Canada's Veterinary Drugs Directorate (VDD) have been discussing the opportunity to conduct simultaneous reviews of veterinary medicines submissions.

The VMD is pleased to announce the publication of the United Kingdom-Canada Regulatory Cooperation: [Guidance on Veterinary Drug Simultaneous Reviews](#).

This guidance document will serve as the foundation for simultaneous reviews of veterinary medicines submissions by our two agencies.

The guidance represents an important step forward by expanding opportunities for industry to simultaneously access two major markets. It provides opportunities to reduce burdens and to have a single project team working on the submission pathway working to common assessment timeframes. It also supports our shared aim of expanding access to treatment options for animals and helping food producers stay competitive globally.

The guidance outlines how the review process will work. It is intended to complement each country's legislative and regulatory framework and associated technical guidelines, which remain in place.

This is an exciting opportunity and we look forward to working with the veterinary pharmaceutical industry on this new initiative.

Please contact Gavin Hall [g.hall@vmd.gov.uk](mailto:g.hall@vmd.gov.uk), the VMD's Head of Regulatory Affairs, if you would like further clarification or would like to discuss any potential projects that you may have which would benefit from this opportunity.

To contact the Canadian Authorities directly, email: [hc.vdd.international-](mailto:hc.vdd.international-)

[international.dmv.sc@canada.ca](mailto:international.dmv.sc@canada.ca) marked for the attention of Meggan Davis.

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## **UK Export Finance unlocks trade to Egypt and supports UK jobs with £1.7bn guarantee**

- First export of UK-built trains for over 12 years allows Bombardier to expand manufacturing capacity in Derby
- UK Export Finance provides £1.7bn backing for deal with Egypt
- Government-backing part of commitment to help exporters across the UK build back better and take advantage of new trade deals

A consortium led by Bombardier Transportation has confirmed a deal with the Egyptian Government to build two new monorails thanks to £1.7 billion backing from UK Export Finance (UKEF), the largest amount of financing it has ever provided for an overseas infrastructure project.

International Trade Secretary Liz Truss today announced the government guarantee, which will support highly skilled jobs in Derbyshire as the UK builds back better in the aftermath of coronavirus.

Bombardier's consortium was named preferred bidder for the project at the 2020 UK-Africa Investment Summit and, with UKEF's guarantee, has secured the financing needed to fulfil the contract and start production. Bombardier can now invest in its manufacturing centre in Derby where the trains for the Egyptian monorails will be designed and built.

This will be the UK's only monorail car production line and will directly support 100 UK jobs at the company and many more in its UK supply chain.

This news comes as the UK hosts the [Africa Investment Conference](#) today (January 20 2021), its first major international investment conference as an independent trading nation. The UK-Africa trade relationship was valued at £35 billion in 2019, with around £54 billion of bilateral investment stock on top of that. The UK is by far the biggest foreign direct investor in Egypt and continues to aspire to be its trade and investment partner of choice, and UKEF will play a key role in this shared vision for growth.

### **International Trade Secretary Liz Truss said:**

Trade is an incredibly powerful way to propel growth and create jobs as we recover from the pandemic. This deal shows why we are so

determined to get businesses to grasp these opportunities and take advantage of the support available from Government.

One third of our economy is exports. That's why support from our export credit agency is vital. It can help the UK get a bigger slice of the global economic pie, secure jobs across the country and make the most of our newfound independence as a trading nation.

**Matt Byrne, president of Bombardier Transportation (UK and Ireland), said:**

The Cairo Monorail export win, against international competition, shows that the UK rail sector can fight and win in key growth markets such as sustainable transport.

This is the first UK export since our Derby-built trains were exported to South Africa for the Gautrain project in 2008.

Thanks to UKEF's support and those working in Embassies across North Africa, this new deal will bring sustainable benefits to Egypt and create job opportunities in the UK.

The financing came together at the height of the pandemic, which would not have been possible without the commitment of all parties involved, including strong support from the lawyers. The project is of significant national importance to Egypt, and we are honoured to have been selected by NAT and the Government of Egypt to deliver this UKEF-backed financing, which will enable this major project to become a reality.

**Ashurst partner Tom Longmuir, said:**

This is a transformational infrastructure project, which will generate huge social benefits for Cairo residents and for Egypt. We are delighted to have assisted JPMorgan and UK Export Finance in bringing a complex financing to a successful close in testing market conditions.

Bombardier employs 4,000 people in the UK, with around 2,000 in Derby including over 400 specialised engineers, who develop and build trains for rail franchises across Britain. This expertise will be used to build and maintain two electrified monorails that together will transport millions of people every year in the Cairo metropolitan area. The new lines will connect the New Administrative City with East Cairo and 6th October City with Giza.

The monorails are a part of Egypt's plans to build a sustainable

transportation infrastructure that can cope with its growing population while reducing climate change impacts.

Bombardier also sees additional opportunities to increase its exports of UK built trains using its new production line as global demand for fast, sustainable public transportation solutions increases.

The UKEF supported Buyer Credit facility will be administered by JP Morgan acting as the Initial Mandated Lead Arranger and the Facility Agent. Reinsurance support has also been secured with the help of Italian ECA SACE and Spanish ECA CESCE.

## **About UK Export Finance**

[UK Export Finance](#) is the UK's export credit agency. It exists to ensure that no viable UK export lacks for finance or insurance from the private market, providing finance and insurance to help exporters win, fulfil and get paid for export contracts.

## **About Bombardier Transportation**

Bombardier Transportation is a global mobility solution provider leading the way with the rail industry's broadest portfolio. It covers the full spectrum of solutions, ranging from trains to sub-systems and signalling to complete turnkey transport systems, e-mobility technology and data-driven maintenance services. Combining technology and performance with empathy, Bombardier Transportation continuously breaks new ground in sustainable mobility by providing integrated solutions that create substantial benefits for operators, passengers and the environment. Headquartered in Berlin, Germany, Bombardier Transportation employs around 36,000 people and its products and services operate in over 60 countries.

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## **[£148 million to cut drugs crime](#)**

Today (20 January 2021) the Home Secretary Priti Patel and Health Secretary Matt Hancock announce a £148 million new investment to cut crime and protect people from the scourge of illegal drugs.

The £148 million package takes a system-wide approach to the problem of illegal drugs. It gives extra resources to law enforcement to dismantle organised criminal gangs and tackle the supply of drugs. At the same time, it delivers more money for drug treatment and recovery to help cut drug-related crime and the cycle of misuse and reoffending. It represents the largest increase in drug treatment funding for 15 years.

Building on recent successes in tackling county lines gangs, the government will double the funding available for law enforcement to take down and bring

to justice county lines gangs and drug kingpins. The £40 million of new money to tackle county lines and drugs supply brings the total invested to £65 million since November 2019.

The funding has already seen more than 3,400 people arrested, more than 550 lines closed, drugs with a street value of £9 million and £1.5 million cash seized, and more than 770 vulnerable people safeguarded.

A further £28 million will be invested into piloting Project ADDER – a new intensive approach to tackling drug misuse, which combines targeted and tougher policing with enhanced treatment and recovery services. Project ADDER (which stands for Addiction, Diversion, Disruption, Enforcement and Recovery) will bring together partners including the police, local councils and health services, and run for 3 financial years in 5 areas with some of the highest rates of drug misuse: Blackpool, Hastings, Middlesbrough, Norwich and Swansea Bay.

The funding will allow the police to target local gang leaders driving the drugs trade while better helping people to recover from addictions.

An extra £80 million will also be invested in drug treatment services right across England to give more support to offenders with drink and drug addictions, which can fuel crime. This new money will increase the number of treatment places for prison leavers and offenders diverted into tough and effective community sentences. Together the funding represents a comprehensive drive by the government to build back safer from the pandemic by helping people break free from the scourge of drug use and cutting drug-fuelled crime and violence.

Prime Minister Boris Johnson said:

I am determined to cut crime and make our streets safer, which is why we are recruiting 20,000 more police officers, toughening sentences and making sure the police and prisons have the powers and tools they need to clamp down on criminals and stop re-offending.

But it is clear that drugs are a serious driver of the violence which devastates communities and robs young lives. That is why we must take action to cut off supply and cut the head off the snake by tackling the criminal gangs which exploit young people.

We must also help people to get off drugs in the first place and that is why we are launching Project Adder, a new, targeted approach which will ramp up local enforcement, while at the same time diverting more people into recovery, backed up by the largest investment in treatment in 15 years.

Home Secretary Priti Patel said:



I am determined to cut crime and restore confidence in our criminal justice system, so that people can live their lives knowing their family, community and country is safe.

The government's work to tackle county lines drugs gangs has already resulted in thousands more people being arrested and hundreds more vulnerable people being safeguarded, but we must do more to tackle the underlying drivers behind serious violence.

That is why today's announcement will provide the largest investment in drugs treatment and support in 15 years, while also giving more resources to law enforcement so they can continue dismantling organised criminal gangs and tackling the supply of drugs.

Health and Social Care Secretary Matt Hancock said:

Addiction and crime are inextricably linked and to truly break the cycle we must make sure people can access the help they need to get their lives back on track for good.

This is the largest increase to drug treatment funding in 15 years and underlines our absolute commitment to reduce drug-related deaths, offending and use.

As part of this package, £2.5 million will also be invested in providing continuity of care for prisoners on release to avoid this becoming a crisis point. The enhanced RECONNECT service supports offenders with complex needs to engage with and get the right treatment from mental health, substance misuse and other services, for up to a year after release. Offenders will be supported by expert care navigators working with health and probation services.

The money will also support offenders into treatment upon release from prison and fund additional detox beds and the life-saving overdose medicine, naloxone. By saving lives and providing treatment former offenders have the chance and support to break the cycle of crime and addiction.

The increase in drug treatment funding will help us provide lifesaving overdose medicine to every heroin user in the country that needs it and will help end the postcode lottery for inpatient treatment so that people from across the country can come off drugs safely.

This work follows the appointment in February 2019 of Professor Dame Carol Black to undertake an independent review of drugs.

Last year she provided detailed analysis of the challenges posed by drug supply and demand, including the ways in which drugs fuel serious violence.

The second part of her review launched in July 2020, focused on treatment,

recovery and prevention, with an overarching aim of ensuring vulnerable people with substance misuse problems get the support they need to recover and turn their lives around in the community and in prison.

It will consider how treatment services can enable people with a drug dependency to achieve and sustain their recovery – spanning the wide range of support they may need, including with across mental health, housing, employment, and criminal justice agencies.

Dame Carol Black said:

Drug treatment has a vital role to play in helping people to come off drugs and thereby reduce crime, from minor acquisitive crime right through to homicide. The evidence for this is abundantly clear – drugs drive crime.

I am therefore delighted to hear that the government is to invest an additional £80 million in drug treatment. This will assist local authorities to improve the services they deliver in this important area, in all their various aspects.

Areas to be funded by Project ADDER are

1. Blackpool – £4.8 million
2. Hastings – £4.35 million
3. Middlesbrough – £4.58 million
4. Norwich – £4.8 million
5. Swansea Bay – £1 million

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## [£12M UK-Japan robotics deal for fusion energy and nuclear decommissioning research](#)

Britain and Japan have signed a research and technology deployment collaboration to help automate nuclear decommissioning and aspects of fusion energy production.

A world-leading alliance, it will see new robotics and automation techniques applied to both fusion research and to decommissioning nuclear facilities in Japan and the UK.

The £12M UK-Japanese robotics project, called “LongOps”, will support delivery of faster and safer decommissioning at TEPCO’s Fukushima Dai-ichi reactors in Japan and at Sellafield in the UK, using long-reach robotic arms.

This four-year research collaboration will be funded equally by UK Research and Innovation (“UKRI”), the UK’s Nuclear Decommissioning Authority (“NDA”) and Japan’s Tokyo Electric Power Company (“TEPCO”).

The collaboration between the three entities will see UKAEA’s Remote Applications in Challenging Environments (“RACE”) facility lead the project, design strategy and deliver new robotic capabilities with global potential.

It is also expected to result in direct benefits, such as employment opportunities, advances to “fusion-adjacent” technologies, upskilling of the UK and Japanese scientific and engineering capabilities.

The decommissioning of legacy nuclear facilities and fusion facilities are complex large-scale projects that are time-intensive to accomplish safely.

Robotics and digital twin technologies will play an essential part in carrying them out efficiently with no risk to human health.

A major feature of the LongOps programme will be the deployment of sophisticated digital twin technology – virtual models where the pairing of the virtual and physical worlds allows for highly detailed analysis of data, and the forecasting of potential maintenance and operational issues.

“Digital twins” is a formative technology for the Industrial Internet of Things (“IIoT”) enabling the optimisation of operations, improved productivity, and the ability to test and innovate in the virtual world before developing real world applications.

The software created will allow RACE to show how such machines are controlled in real-time during remote operations.

Developments from LongOps will also be applied to the upgrading, maintenance and dismantling of fusion devices, such as the Joint European Torus (JET), once their lifespans have ended.

Knowledge transfer from LongOps to other sectors shows the commercial potential of investing in UKAEA’s fusion and robotics technologies.

Fusion is a form of low-carbon energy whereby the power of the sun is replicated on earth.

It promises minimal impact to the environment, long-term reliability and weather independence.

LongOps forms part of over £450m investment by Government into robotics and autonomous systems (RAS) projects since 2014.

The Robotics Growth Partnership brings UK RAS businesses and government together to harness smart machines for productivity and wider societal benefit.

Amanda Solloway, UK Minister for Science, Research and Innovation, said:

To unlock the amazing potential of nuclear power, it's critical that the UK works hand in hand with international partners to safely decommission nuclear sites while backing pioneering research into fusion, which could offer a limitless source of clean energy.

This innovative research alliance with Japan will ensure we share our expertise in robotics to address complex challenges such as nuclear decommissioning, while helping to secure highly skilled jobs across the country as we build back better from the pandemic.

Adrian Simper, Group Strategy and Technology Director at the Nuclear Decommissioning Authority, said:

The NDA group is a world leader in decommissioning – our high hazard challenges require innovative and efficient solutions. Robotics offers us new ways to tackle our complex work safely, securely and cost-effectively. This unique international collaboration allows us to pool expertise and experience from Japan, working together and investing in cutting edge ways to find solutions to our shared problems and benefit our clean-up mission.

Akira Ono, Chief Decommissioning Officer of Tokyo Electric Power Company Holdings, Inc. ('TEPCO'), said:

It has been almost a decade since the Fukushima Daiichi(1F) accident on March 11th, 2011.

TEPCO's 1F Decontamination and Decommissioning was carried out initially on an emergency response basis, but we now will be entering the stage of taking on challenges in uncharted territory such as Fuel Debris Retrieval (FDR).

I recognise that the robotics and remote-control technology is one of the most important key success factors for the FDR project.

I believe LongOps R&D will contribute a tremendous support to this FDR project, and I also feel secure that we can work with our partners, UKAEA, NDA/Sellafield, and UKRI for this UK-Japan international challenge.

Andrew Tyrer, Challenge Director for Robots for a Safer World at UK Research

and Innovation, said:

This landmark international collaboration between the UK and Japan will spearhead significant progress into the complex challenge of nuclear decommissioning. That these nuclear decommissioning operations were selected as the focus of UK-Japanese robotics collaboration, including UK engineers developing technology for use in Fukushima, highlights the UK's world-leading strength in this sector. The UK's strength has been accelerated in recent years by the Robots for a Safer World challenge from the Industrial Strategy Challenge Fund.

Dr Rob Buckingham, Director of UKAEA's Remote Applications in Challenging Environments ('RACE') centre, said:

LongOps will build long-term partnerships, such as that between UK's Sellafield and Japan's TEPCO to find faster and safer methods for fusion development and to solve complex decommissioning problems.

The project will build innovation pipelines with industry for new robotics and AI tools.

It will also solidify relationships between operators and researchers in the UK and Japan. I am delighted that UKAEA will play a key enabling role in this international venture.

For media enquiries please contact Nick Holloway, UKAEA Media Manager, at [nick.holloway@ukaea.uk](mailto:nick.holloway@ukaea.uk).