

# Speech: Unlocking the full potential of the UK-GCC trade and investment relationship

Secretary General, Your Excellencies, Lords, Ladies and gentlemen.

Good morning. It gives me great pleasure to be here today to open the UK-GCC Public Private Partnership Conference and to welcome especially those who have travelled.

The conference is a celebration of the strong partnership already enjoyed by the United Kingdom and the nations of the GCC.

It is a partnership based not only upon defence and mutual security interests, but upon trade, commerce, and the bonds of friendship that span the geographic separation between Britain and the Gulf.

But it is not a time to rest on our laurels. Both the UK and the GCC nations stand on the verge of a bright, outward-looking future, where co-operation with international partners will be more important than ever before.

From the Qatar National Vision to Saudi Vision 2030, every country here today is embarking on an ambitious journey, enacting great transformations to safeguard prosperity, and ensure that every citizen has a stake in the future.

Britain too has a bold vision for the future.

When the Prime Minister formed her government in July last year, she made clear her ambition to build a global Britain, a country that is internationalist, open and outward-looking.

A Britain that will work with old friends and new allies across the globe to liberalise commerce, stimulate trade, and promote political stability.

My own Department for International Trade was created to help realise this vision, working to boost British exports, attract yet more foreign investment, and champion trading freedoms in the UK and across the world.

Our departure from the European Union will give the UK, for the first time in a generation, the tools to realise this ambition.

Of course, our European partners will always remain our close economic and political friends. The triggering of Article 50 marks the start of a new and deep partnership with the EU.

But the UK will also look beyond the borders of our continent, strengthening our trading ties with those nations, like the GCC states, who have long been our diplomatic and commercial allies.

Our trading relationship is about more than macroeconomic benefits. It is about shaping our economies to face the challenges of the future. It is about investing in infrastructure, healthcare and education. It is about creating the jobs that offer financial security to millions of our citizens.

Fortunately, the relationship between the UK and the Gulf states is starting from a position of great strength.

We have long been partners in defence. During the Cold War and in the decades since, the UK has been at the forefront of the security relationship between the Gulf States and the West, an alliance that time and time again has faced down regional and global threats.

The new Strategic Partnership between the UK and the GCC, announced when the Prime Minister attended the Council in December last year, will serve to strengthen these ties at a time of increasing global uncertainty. We each need to do our part, across the whole of government to ensure that this mission continues to grow and flourish.

In recent years, though, it is our economic and commercial relationship that has become the standout success story.

UK companies export over £30 billion worth of goods and services to the GCC nations every year, more than to China, and almost twice the value of our exports to India.

Thousands of British companies are active across the Gulf, creating jobs and helping to deliver projects from energy expansion to helping Qatar prepare to host the 2022 World Cup.

And the relationship is far from one-way. The Gulf is home to the world's largest wealth funds, and your investment has poured into the United Kingdom, transforming the fabric of our nation through scores of high-visibility development projects.

At a time when Britain is recasting its place in the world, GCC investment has been a great public vote of confidence in the intrinsic strength of the UK economy.

Yet for all this success, there remain a vast number of untapped opportunities to expand and deepen our trading relationship. There is much potential yet to unlock.

This conference is part of the drumbeat of the UK's wider engagement with the GCC. Our partnership is already flourishing, but we can be closer, on defence, on security, on culture, and of course on trade and investment.

Following the creation of the Department for International Trade, one of the first official visits as Secretary of State was to the Gulf.

This has set the pattern of engagement, with ministerial visits across the region, as well as high-level seminars and conferences in several countries.

Like our counterparts across the GCC, the UK government is embarking upon a bold industrial strategy, taking the big investment decisions required on capital projects to stimulate our economy and project our prosperity far into the future.

Our infrastructure plans include over £300 billion worth of investment by 2020 / 2021, over 50% of which will be financed and delivered by the private sector.

The UK has always had a strong reputation for innovative approaches to infrastructure financing, and for many years this country has been home to one of the world's largest and most experienced private public partnership markets.

Public private partnerships and private finance initiatives are not always a magic bullet, but they do work remarkably well to transfer the risk of capital projects, spreading the load between the government and their private sector partners.

They ensure that the private sector is free to bring its innovation and dynamism into public services and government projects, working in an appropriate partnership to realise national ambitions.

Governments, however, must be vigilant. If PPPs or other funding mechanism are carried out incorrectly, then the taxpayer can be locked into a significant burden.

The last Labour government, for example, have left the NHS hospitals owing over £80 billion in PFI loan unitary charges, leaving the taxpayer a legacy of debt repayment that will amount to up to 7 times the original capital cost.

Yet with care such risks are easily mitigated, and PPPs and PFIs have had a truly transformative effect on the UK's infrastructure and public services.

As of last month, there were 716 ongoing PPP and PFI projects in the UK, stretching across education, healthcare, housing and transport.

Across the country, the government and private enterprise are working side by side to build a better future for our citizens.

Today's conference will enable the countries of the GCC to tap into the UK's wealth of PPP and PFI expertise, helping you to finance and deliver your ambitious national visions.

It could be said that knowledge and expertise are some of the UK's chief exports. This applies not only to initiatives such as PPP, but to the companies the length and breadth of Britain who stand ready to help realise the GCC's ambitions.

From infrastructure to healthcare to education, UK companies with a proven track record are ready to share their expertise and invest in the future of the Gulf. Their capability can give your nations, and your citizens, the

tools to face the economic and social challenges of the 21st Century.

The connections that are made today between government and business will help to shape a better future for all our nations.

Great strides have also been made at governmental level.

I am delighted that the inaugural Joint Economic and Trade Commission with Qatar will take place in London next month, and I look forward to co-chairing the Joint Ministerial Commission with Saudi Arabia in the near future.

The UK's trade working group with the GCC has been established, and will soon start work on the future shape of our trading relationship, identifying barriers to trade and forging an ever-closer commercial relationship between the UK and the GCC.

Three Prime Ministerial [Trade Envoys](#) are currently active within the GCC, spearheading a whole-of-government effort to maximise Britain's trade and investment opportunities.

As well as this political and diplomatic progress, my own Department for International Trade is offering practical support to expand the UK-GCC trading relationship.

We believe that no trade between the UK and our partners in the Gulf should fail for lack of finance and insurance. That is why, through UK Export Finance, we can give buyers and project sponsors across the region attractive long-term finance to make sourcing from the UK more competitive.

We can provide billions in support for UK companies exporting to countries in the GCC, and for their buyers in the region in both the public and private sectors.

In addition UK Export Finance support will now be available in a number of the GCC's currencies, allowing the region's buyers to access finance in their own currency and making the UK's world-leading goods and services even more competitive.

At every level, from the highest reaches of government to individual businesses, we are striving to deepen the trading relationship between the UK and the GCC.

This conference is not only an opportunity for the GCC nations to capitalise on the UK's vast PPP knowledge and experience. It is also a springboard for our future trading relationship.

As the UK recasts its place in the world, our friendship with the GCC nations will become ever more important, as we work together to shape the future, realising our national visions and building a safer, more prosperous world for all our people.

The UK-GCC partnership is strong, and it will only grow stronger. When the drive and dynamism of the Gulf States meets the knowledge and expertise of

the United Kingdom, there is nothing we cannot achieve.

Thank you, and welcome to the conference.

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## **News story: CMA accepts Manchester cinemas sale**

The CMA has today accepted AMC's offer to sell the Odeon Printworks cinema in Manchester to Vue in order to maintain choice for customers.

In December, the Competition and Markets Authority (CMA) [announced](#) that AMC (UK) Acquisition Ltd's (AMC's) purchase of Odeon and UCI Cinemas Holdings Ltd (Odeon) would face an in-depth investigation, unless AMC could address concerns over the merger's effect on competition between cinemas in Manchester.

Prior to the merger, AMC operated a 16-screen multiplex in Manchester (the AMC Great Northern) and Odeon operated several cinemas in the Manchester area including the Odeon Printworks, a 20-screen multiplex.

To remedy the CMA's competition concerns, AMC offered to sell the Odeon Printworks to Vue Entertainment Limited (Vue). After considering responses to a formal consultation, the CMA has concluded that AMC's offer is sufficient to address the CMA's concerns.

The undertakings and all other information relating to this investigation are available on the [case page](#).

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## **News story: Appointment of Roberta Brownlee as member to the Prison Service Pay Review Body**

The Secretary of State for Justice has announced the appointment of Roberta Brownlee for a tenure of 5 years.

Roberta Brownlee has been appointed to the Prison Service Pay Review Body (PSPRB) as member with Northern Ireland experience from 1 April 2017 to 30

April 2022.

PSPRB provides the government with independent advice on the remuneration of operational prison staff in England, Wales and Northern Ireland, as set out in The Prison Service (Pay Review Body) Regulations 2001 (SI 2001 No. 1161).

Appointments and re-appointments to PSPRB are regulated by the Commissioner for Public Appointments. This re-appointment has been made in line with the Commissioner's Code of Practice for Ministerial Appointments to Public Bodies.

Public appointments to PSPRB are made by the Prime Minister on the recommendation of the Justice Secretary in consultation with the Northern Ireland Justice Minister.

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## [Press release: Almost half of UK firms hit by cyber breach or attack in the past year](#)

- Firms holding personal data more likely to be attacked
- Most common attacks were fraudulent emails, followed by viruses and malware

The [Cyber Security Breaches Survey 2017](#) reveals nearly seven in ten large businesses identified a breach or attack, with the average cost to large businesses of all breaches over the period being £20,000 and in some cases reaching millions. The survey also shows businesses holding electronic personal data on customers were much more likely to suffer cyber breaches than those that do not (51 per cent compared to 37 per cent).

The most common breaches or attacks were via fraudulent emails – for example coaxing staff into revealing passwords or financial information, or opening dangerous attachments – followed by viruses and malware, such as people impersonating the organisation online and ransomware.

Businesses also identified these common breaches as their single most disruptive breach, and the vast majority of them could have been prevented using the Government-backed, industry supported Cyber Essentials scheme, a source of expert guidance showing how to protect against these threats.

These new statistics show businesses across the UK are being targeted by cyber criminals every day and the scale and size of the threat is growing, which risks damaging profits and customer confidence.

The Government has committed to investing £1.9 billion to protect the nation

from cyber attacks to help make the UK the safest place to live and do business online.

Business also has a role to play to protect customer data. The government offers free advice, online training and Cyber Essentials and Cyber Aware schemes.

### **The survey also revealed:**

Of the businesses which identified a breach or attack, almost a quarter had a temporary loss of files, a fifth had software or systems corrupted, one in ten lost access to third party systems they rely on, and one in ten had their website taken down or slowed.

Firms are increasingly concerned about data protection, with the need to protect customer data cited as the top reason for investing by half of all firms who spend money on cyber security measures.

Following a number of high profile cyber attacks, businesses are taking the threat seriously, with three quarters of all firms saying cyber security is a high priority for senior managers and directors; nine in ten businesses regularly update their software and malware protection; and two thirds of businesses invest money in cyber security measures.

Small businesses can also be hit particularly hard by attacks, with nearly one in five taking a day or more to recover from their most disruptive breach.

Areas where industry could do more to protect itself include around guidance on acceptably strong passwords (only seven in ten firms currently do this), formal policies on managing cyber security risk (only one third of firms), cyber security training (only one in five firms), and planning for an attack with a cyber security incident management plan (only one in ten firms).

All businesses which hold personal data will have to make sure they are compliant with the new General Data Protection Regulation (GDPR) legislation from May 2018. This will strengthen the right to data protection, which is a fundamental right, and allow individuals to have trust when they give their personal data.

The Cyber Breaches Survey is part of the Government's five-year National Cyber Security Strategy to transform this country's cyber security and to protect the UK online. As part of the strategy, the Government recently opened the new National Cyber Security Centre (NCSC), a part of GCHQ.

One of the key objectives of the NCSC is to increase the UK's cyberspace resilience by working with and providing expert advice tailored to organisations and businesses in every sector of the UK economy and society.

Ciaran Martin, CEO of the National Cyber Security Centre, said:

UK businesses must treat cyber security as a top priority if they

want to take advantage of the opportunities offered by the UK's vibrant digital economy.

The majority of successful cyber attacks are not that sophisticated but can cause serious commercial damage. By getting the basic defences right, businesses of every size can protect their reputation, finances and operating capabilities.

Cyber Essentials, technical advice on CiSP and regularly updated guidance on the NCSC website offers companies, big and small, simple steps that can significantly reduce the risk of a successful attack.

## **ENDS**

### **Notes to editors:**

1. Read the [Cyber Security Breaches Survey 2017](#)
2. The Cyber Security Breaches Survey is an Official Statistic and has been produced to the standards set out in the Code of Practice for Official Statistics.
3. The survey was carried out by Ipsos MORI in partnership with the Institute for Criminal Justice Studies at the University of Portsmouth.
4. The survey fieldwork has been endorsed by the Association of British Insurers (ABI), the Confederation of British Industry (CBI), the Federation of Small Businesses (FSB), ICAEW and techUK.
5. Media enquiries – please contact the DCMS News and Communications team on 020 7211 2210 or out of hours on 07699 751153.
6. The Cyber Security Breaches Survey comes on the back of recent Government action to boost cyber security, including:
  - Strengthening the Cyber Essentials scheme, which protects organisations against the most common online threats. A number large firms, such as BT, Airbus, Vodafone, Astra Zeneca and Barclays, are also encouraging their suppliers to adopt the scheme.
  - New measures to support the UK's £22 billion cyber security industry, including boosting the cyber ecosystem by helping academics commercialise their research and funding an early stage accelerator programme.
  - Funding Academic Centres of Excellence to specialise in developing

the latest cyber security techniques and contribute to the UK's increased knowledge and capability in this field.

- Working to develop cyber innovation centres in London and Cheltenham to support entrepreneurs and innovators to develop new cyber security products and businesses.
  - Developing the cyber security skills pipeline so the UK has the people it needs now and in the future, including a cyber security apprenticeships scheme, a cyber schools programme and a cyber retraining programme to help fast-track professionals into the industry.
  - The popular CyberFirst programme is inspiring, encouraging and developing a cyber-savvy cohort of students to help protect the UK's digital society.
  - The Government is encouraging all firms to act: the 10 Steps to Cyber Security provides advice to large businesses, and the Cyber Essentials scheme is available to all UK firms. The Cyber Aware scheme (formerly Cyber Streetwise) aims to drive behaviour change amongst small businesses and individuals, so that they adopt simple secure online behaviours to help protect themselves from cyber criminals.
7. Ipsos MORI surveyed 1,523 UK businesses (including 171 large businesses employing 250 or more staff) by telephone from 24 October 2016 to 11 January 2017.
- Sole traders and public sector organisations were outside the scope of the survey, so were excluded. In addition, businesses with no IT capacity or online presence were deemed ineligible, which meant that a small number of specific sectors (agriculture, forestry, fishing, mining and quarrying) were excluded.
  - The data is weighted to be representative of all UK businesses (who were in scope).
  - A total of 30 in-depth interviews were undertaken in January and February 2017 to follow up businesses that participated in the survey.

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## [News story: Making energy clean, affordable and secure: apply for funding](#)

Businesses can apply for a share of £13 million for innovative projects that address the issues of cost, emissions and security of supply.

The Energy Catalyst has up to £13 million to support innovative market-focused projects in the energy sector both in the UK and in developing

countries.

This competition is cofunded by the [Department for International Development](#), the [Department for Business, Energy & Industrial Strategy](#) and the [Engineering and Physical Sciences Research Council](#). It is being run by Innovate UK.

## **Rapid change in energy systems**

Energy systems around the world are facing rapid change. There is a clear need to address the challenge of providing energy that is clean, affordable and secure at the same time.

The competition aims to help UK businesses to grasp the opportunities on offer through meeting the challenges facing the energy sector. There are 3 types of award for projects that are at an early, mid or late stage of development.

This is the fifth round of the Energy Catalyst. More than 200 projects with a total value of £200 million have already been funded in the previous 4 rounds.

## **Competition information**

- this competition opens on 24 April 2017, and the deadline for registration is midday on 21 June 2017
- the competition is open to any UK organisation and may involve international partners
- research organisations may lead early stage projects but all projects must include a business. Mid-stage and late-stage projects must be led by a business working with at least one partner
- project costs can vary between £50,000 and £10 million depending on the stage and can last between 1 and 3 years
- businesses can attract up to 70% of their project costs
- briefing events will be held in London, Birmingham and Glasgow in April and May 2017