

Parliament Event - Japanese Businesses and the UK's Future Economy

18.45 – 20.45, 31st October 2018

Attlee Suite, Portcullis House

Speech transcript – Jeremy Hunt, Secretary of State for Foreign and Commonwealth Affairs

Thank you, thank you very much indeed Ambassador. I can assure you even before the Ambassador spoke I had decided that I was definitely going to speak in English because my Japanese is actually very, very rusty. I did manage to dust it down a bit for a very short speech in Tokyo earlier in the summer and I was quite nervous before doing it because I had not really spoken Japanese for a very long time and I said to myself a hundred times over as I looked in the mirror, 'I am in Japan and my wife is Chinese'. Luckily I got through the moment but I am absolutely delighted and privileged to be here.

I remember going round the Honda factory in Swindon twenty five years ago long before I became an MP and I met the Managing Director who was a Brit. In fact, in the visit I did not see a single Japanese person. I met the Managing Director, who was wearing a white boiler suit and it just had his name on the lapel that said 'Tony' and he was wearing exactly the same uniform as everybody else in the factory. I went round and it was absolutely spotless and I remember saying to him, 'you must be very proud of this factory' and he said 'well, I'm just proud of all the people who work here'. He said 'they have so many ideas. I can't keep up with them all.' He typified for me, the extraordinary thing about Japanese investment in the UK which is that it has really been the regeneration of our manufacturing industry and it has been that huge cultural change. Those of us here who grew up in the 1970s knew that British manufacturing was not a great success story although we still had some great companies then and we needed to renew. Japanese investment, Japanese culture and the Japanese approach to quality; and the Japanese belief in allowing people to stop the line, listening to ideas that come from the shop floor; all that has been part of the rejuvenation of the British manufacturing industry. We see Japanese investment as incredibly important and now 1,000 Japanese companies, £46 billion pounds worth of investment stock, 150,000 Brits employed; but actually the influence goes far beyond those 1000 companies and those 150,000 people.

We are also very realistic that one of the reasons that many Japanese companies invested in Britain was as a spring board to Europe, and particularly as a spring board to the EU market. That is why the EU deal that we are determined to negotiate is one that protects all the advantages that you had when you decided to invest in Britain. Free access to the European markets, one that works for just in time manufacturing, which is something you've really taught us in this country. That is where we are going and I'm very confident that we will get a deal but we cannot promise it because this is a negotiation and there are two sides in every negotiation. Even in the worst case scenario that we don't get the deal when we want it or exactly the nature that we want it, I'm actually very confident that we will end up with a trading relationship with Europe that is broadly frictionless and broadly the relationship that you need. The reason I am confident of that is because it is as much in the interests of Europe as it is in the interests of the UK and so that is why this is such an important national objective.

I just finish with a couple of points. The first is that Britain has prided itself on being one of the most open economies in the world for many decades now, and I hope you feel that this is one of the few countries that you invest in where you are not actually treated as foreigners, you are treated exactly the same as British companies. We think that is absolutely essential to our success as a country and whatever happens in the twists and turns ahead, we will remain an outward looking and open economy welcoming people from all over the world. We will look at our Japanese investors as family. We see you as [a company who is] as British as British companies; you're part of our success and you're part of our future. If we can get Brexit right, whichever side of the Brexit debate you are on and I know there are people here on both sides of that debate, if we can get it right Brexit will be a catalyst for extraordinary change for the British economy. It will be a moment where we make some very important reforms to sort out our education system, our training [or trading] system, our infrastructure, our overall competitiveness. If we can turn it into that catalyst, then you will be with us for a journey where the next 25 years will be even more exciting than the last 25 years and that is our absolute ambition.

We look forward to having you with us on that journey.

Thank you very much indeed.