



CANADA - UNITED KINGDOM Chamber of Commerce 1921–2006 85th Year

38 Grosvenor Street
London W1K 4DP
Tel: +44 (0) 20 7258 6578
Fax: +44 (0) 20 7258 6594
Email: info@canada-uk.org
www.canada-uk.org

RT HON ALAN JOHNSON MP, SECRETARY OF STATE FOR TRADE AND INDUSTRY CANADA CHAMBER OF COMMERCE

“TRADE AND INVESTMENT – CHALLENGES AND OPPORTUNITIES” 3 MAY 2006

I'm delighted to address the Canada - UK Chamber of Commerce at this quiet and uneventful time in British politics.

Victor invited me to give this speech whilst we were at the Progressive Governance Conference in South Africa, discussing some of the challenges of globalisation: climate change, global poverty, new competition - all challenges that Britain and Canada face together.

Our two countries are on opposite sides of the Atlantic, but share huge similarities.

We are two of the richest and largest economies in the world - joined historically, economically and culturally. We are both modern, reforming, outward looking and prosperous nations sharing values, traditions and a sovereign.

We enjoy close political ties – through NATO, the Commonwealth, the UN and the G7.

We have close personal ties - three quarters of a million Canadians visit Britain and a million people from Britain visit Canada every year; whilst thousands of our youngsters study in one another's universities.

And we have close professional ties.

Britain and Canada are key routes into two of the largest trading blocks in the world – the EU and NAFTA respectively.

Britain is Canada's third largest export market, whilst more than a third of Canada's European exports are sold in Britain.

Britain is the largest European investor in Canada. And Canada invests in cutting edge British industries such as biotech, life sciences, energy and ICT.

Companies like Research in Motion which makes the Blackberry wireless platform from its European HQ in Egham. Or Alcan, which recently announced 30 new jobs in Cumbria, in the high value, highly lucrative aerospace components sector.

I want to grow these links further.



Hon. Alan Johnson MP with Victor Dahdaleh (right) and Nigel Bacon (left)

They are valuable for our own countries, but they can also be used to tackle the biggest issues facing the planet.

Issues such as climate change – which endangers our entire future.

In Britain, we have shown a lead on this, taking difficult political decisions - introducing the climate change levy, for example – which have put us ahead of our Kyoto targets and saved 28 millions tonnes of carbon.

Infectious disease is another such issue, increasingly pertinent after SARS and Avian flu.

Global problems need global action – and our two countries work together through for a such as the G7; but there is also much that we can do bilaterally, combining our scientific excellence to find solutions to the world's most compelling problems.

Scientists from Toronto and Oxford Universities are already working together to understand the role of proteins in heart

disease; whilst the Wellcome Trust and McGill University in Montreal are looking at the role of genetics in diseases like cancer, diabetes and heart disease.

The British Consulate in Toronto has recruited a dedicated science and technology promoter to exploit and develop these links further.

Britain and Canada must also work together to tackle global poverty.

Britain and Canada are equally committed to a successful outcome to the Doha Development Round. A successful trade round has the potential to increase global output by hundreds of billions of dollars and, more importantly, to lift millions of people out of abject poverty.

When this trade round began, in the aftermath of September the 11th, the rich world agreed that the best way to promote international security was to give everyone a fairer share of global prosperity.

We wanted a global, multilateral deal, but biased in favour of the poor, and redressing the imbalance of power which had distorted previous trade rounds. The Uruguay Round actually left Sub Saharan Africa poorer than it had been when the round began.

So the Doha round was explicitly called a development round, and the rich world promised to show a spirit of enlightenment, so that the round worked for everyone.

Yet today, we risk reverting to depressing, historical precedent: national interests strengthened, established positions entrenched; the consensus straining at the seams.

The meeting of Ministers in Hong Kong at Christmas was hardly a roaring success, and now the talks seem to be grinding to a halt.

Some wealthy countries might be content to escape the challenge of reform. And, perversely, some in the NGOs might also be happy with this state of affairs - saying that the system is so rigged against the poor that it will never produce worthwhile reforms.

But such defeatism is effectively defending the status quo – and all the injustice inherent in it.

Washington collects more in tariffs from Cambodia than it does from France – even though French imports are fifteen times more valuable.

Exports from Canada alone are greater than exports from the whole continent of Africa.

Developed world agricultural subsidies amount to \$280 billion, half of the entire sub-saharan economy. So it's scarcely surprising that cotton farmers in Benin can't compete with their feather bedded American counterparts.

It is these scandalous inequities that we must tackle if we are to address the nightmare of more than a billion people – 1 in 5 of the



Lord Young delivers the Vote of Thanks

world's population - living on less than a dollar a day.

We know that trade has the power to lift people from poverty. 300 million Chinese have escaped such hardship because of China's increasingly outward looking focus over the last ten years. So no-one will suffer more from the loss of momentum in this trade round than the developing world.

Many developing countries stand to gain from liberalising trade and will want to do so. We should wholeheartedly welcome this. But we must also recognise the difficulties that pushing things too hard and fast can cause in terms of social and economic dislocation.

We must not make much needed reform of Western farm subsidies conditional on excessively stringent liberalisation for the developing countries.

The onus is on the rich countries who believe in, have benefited from and will continue to benefit from free trade to set an example in these negotiations. As John F Kennedy might have said, we must shift our focus away from what the trade round can do for us, to ask ourselves what we can do for the trade round.

Canada and Britain must persuade our oldest and closest, and nearest and dearest neighbours, that the path to prosperity will not be found in protectionism.

If Doha fails, the whole multilateralist system in which each country has a vote and a veto, will be in jeopardy.

These are not easy issues, as Bill Clinton said when he addressed you before Christmas, and as Pascal Lamy and Peter Mandelson will undoubtedly confirm in their forthcoming speeches to you.

But there is a huge prize at stake. One which could allow developing countries to achieve the same advances through trade that our own two countries secured many years ago, and in doing so make a huge contribution to the prosperity and security of the world.

Thank you.

