

Speech at the Guildhall, Wednesday March 16th, by the President of the Royal Commonwealth Society, The Rt. Hon. Lord Howell of Guildford

My Lord Mayor, Prime Minister, Your Excellencies, My Lords, Sheriffs, Chief Commoner, Distinguished Guests,

Lord Mayor, I can't tell you what a pleasure and relief it is to be here in your great hall, at least for the moment safely in a Boris-free zone - and focusing on the Commonwealth on which everyone can agree, rather than on other subjects on which everyone seems to disagree.

Lord Mayor, as your remarks confirm you have long been champion of the Commonwealth and now I have worked out that your support comes in three ways. That is to say that you are the rarest of species - a Lord in triplicate. You are a Lord by hereditary title, you are a Lord by election by the crossbench peers to the House of Lords and you are the Lord Mayor – the first I believe in six hundred and eighty-eight years to carry all these roles and titles.

So many thanks to the three of you for your Commonwealth enthusiasm and support.

Now we all know that small is beautiful and we appreciate that it can also be courageous, as the history of the lovely and magnificent island of Malta confirms.

But what is less appreciated is that in this digital age of multiple international networks small can also be increasingly influential and powerful.

And Malta, embedded as it is in both the enormous Commonwealth network, and in the European Union, and playing a leading role in each, is an outstanding example of this phenomenon.

What is even less understood in some quarters – although not, I suspect, here in the ever-alert City of London - is that both the modern Commonwealth network and the EU are undergoing immense reform and structural transformation, as profound changes in the whole global trade and investment landscape unfold.

Of course, you don't hear much about these developments in the British press. Not only is the soaring intra-Commonwealth trade potential ignored, but the media coverage of the EU issue has reached new depths of inadequacy. In fact, you are all probably longing to have a Brexit-free evening.

What the media are portraying on the European front is picture of polarised simplicity - a Punch and Judy show between ins and outs, leavers and remainers.

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What they SHOULD surely be telling us about, if they remotely understood it, is the huge transformation of the whole global business structure now going on, making the so-called 'British question' in Europe only a part of a far larger and deeper upheaval as the gigantic markets of Asia, Africa and Latin America open up and economies become hyper-connected - markets both within the Commonwealth and to which the Commonwealth is the gateway.

Indeed, it needs to be recognised that fundamental transformations have already taken place in global trade, with many more on the way.

The new pattern and shape of trade is being driven:

- by powerful digital factors and the on-going information revolution;
- by the greatly increased overlap and blurring between the old categories the statisticians still cling to between manufactured goods and export of services - figures which fail to tell us either what is happening in our own economy or in world trade;
- by the phenomenal growth of trade of developing countries;
- by entirely new and different global value chains;
- by numerous new regional trade arrangements; and
- by climate concerns and upheavals in the whole world energy pattern and commitments to sustainable development.

These immense shifts mean that the old picture of international trade has already given way to a new template.

Today's international trade pattern is composed increasingly of knowledge-laden, or knowledge-attached, services and information products. Manufacturing and services of every kind are now largely inseparable. And we must remember that no less than 80 percent of British GDP is generated by services, and almost half our export earnings come from services of every kind.

Furthermore, we are seeing globalisation of not just finished goods, but of processing, value-adding, and cross-border production networks. Conventional 20th century ambitions for tightly protected single markets scarcely fit into these 21st century realities.

Trust and full commitment to the rule of law, to democratic principles, and to such central issues as gender equality and human rights, become the keys and motors to progress and prosperity.

The Commonwealth with its shared values, its common standards, legal structures, commercial methods, numerous soft power linkages and - above all common working language - is ideally suited to this new milieu.

And these are the features and attributes which the Royal Commonwealth Society is dedicated to promoting and reinforcing.

The facts about Commonwealth trade and business, and their trends within the new trade-connected global architecture now emerging, are truly startling. Here are just two of them:

- Between 2000 and 2013 the combined total exports of Commonwealth countries increased from \$1.3 trillion to \$3.4 trillion - about 15 percent of global exports.

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- Since 2000 total Commonwealth exports to China have grown fourteen times – from \$19 billion to \$268 billion plus. It is worth mentioning that Hong Kong, as part of the PRC, still sends delegations to Commonwealth business gatherings. They know where the future prizes lie!

Moreover, modern Commonwealth countries are not only generating capital and output on a vast scale, but also skills. India alone produces 500,000 engineers a year. The advanced technological and engineering skills we in Britain need to prosper are going to be drawn heavily from Commonwealth countries. It is interesting (and regrettable) that our current immigration policy seems to be heading in the opposite direction, making it much harder for skilled workers and technicians to enter Britain from the Commonwealth.

New trade patterns also mean new security challenges. NATO may look after Europe, but there is an increasing need to safeguard new global routes and patterns, both physical trade routes and cyber routes as well. Closer security and armed forces co-operation through the Commonwealth network, stretching from the Pacific, through the Mediterranean, across the Atlantic and round the globe again, can provide the ideal support frame for the new security and lifeline protection arrangements required.

Ladies and Gentlemen, all this begs for a new approach. No-one has understood better, and seen the growing relevance of the Commonwealth network in this new landscape more clearly, than the Head of the Commonwealth, HM The Queen herself, whose birthday and long reign of wisdom and percipience we celebrate this evening.

Let us hope 2016 allows us to see through pasts mists and clouds of misinformation and misunderstanding and recognise more clearly, and in a more balanced way, the real prospects for UK, for Europe and for all the Commonwealth peoples, young and old, women and men, smaller and bigger member nations – in short the whole gigantic 2.3 billion strong families of which we in Britain are so fortunate to be part in a troubled, dislocated, and dangerous world.

In a moment we are all going to welcome the man who stands at the centre of all this - holding the chair-in-office of the Commonwealth, at the heart of the network and as well, in less than a year's time, to hold the presidency of the European Union – The Prime Minister of Malta GC, Mr Joseph Muscat, and we all greatly look forward hearing his creative and highly positive approach to the future for which we know he stands.

But first I respond to the generosity to our hosts here this evening and call on all to be upstanding and drink a TOAST to the Lord Mayor and the City of London Corporation.

SPEAKER

The only Minister to have served in Heath, Thatcher and Cameron administrations, Lord Howell of Guildford has maintained a close engagement with government energy policies throughout. He served under Margaret Thatcher as her first Energy Secretary and has held numerous Government and public posts since – including a term as Foreign and Commonwealth Minister in the 2010 Coalition Government. He was for ten years the Chair of the House of Commons Foreign Affairs Committee and one of the chief architects of UK-Japan relations.

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