AM: You have said that you’re not going to allow British car manufacturing to be disadvantaged in the future. Can we agree that if they had to pay tariffs on their exports that would disadvantage Nissan and the other companies?

GC: Well, first of all, just to endorse what you say, this is a big moment not just for Nissan but for the people of Sunderland. Talking to one of your colleagues this morning, they know people there, but for the country. And it’s my job to provide the assurances to Nissan and to other investors that Britain is going to continue to be a great place to invest in the future. I was able to do that, and this was the result that we saw announced this week.

AM: Just coming back to my question then, would tariffs disadvantage Nissan?

GC: Of course if there were tariffs in a market which is very international, there’s a lot of trade from the continent of Europe to the UK, and vice versa, the supply chain is integrated. So one of the assurances that I was able to give is that our intention, our negotiating remit when it comes to the discussions with our European partners, is to have a constructive and civilised dialogue to look for the common interest here.

AM: So you mean no tariffs?

GC: It’s no more in the interest for there to be tariff barriers to the continent and vice versa. So what I said is that our objective would be to ensure that we have continued access to the markets in Europe and vice versa without tariffs and without bureaucratic impediments. And that is what we want and how we’re going to approach those negotiations.
AM: This is absolutely crucial and sheds a bit more light on what the government’s position is than we knew before because it’s very, very important to all British manufacturing that they get the minimum tariffs or no tariffs at all, and as you say, no bureaucratic impediments. Do you think this can be negotiated?

GC: The reason that I was able to give that confidence and that assurance is that this is a — good negotiations are about finding the common ground between both sides to the negotiation. And for the continental European car manufacturers, they export a lot to us, we export a lot to them. Components go backwards and forwards. So this is a good example of how if you conduct the negotiations in a serious, constructive and civilised way actually there is a lot in common that we can establish. And that I was able to reassure Nissan and other manufacturers, that that is the way that we are going to approach it.

AM: In clear terms, you went to Tokyo, you went to Japan, were you able to assure Nissan at that point that there were most unlikely to be tariffs that they would face in the future?

GC: Well, obviously the negotiations haven’t started. So what I was able to convey very clearly is what our demeanour would be in those negotiations. Obviously they haven’t started, let alone ended. And everyone’s adult enough to know that. But I think it is important, and it’s been my experience, that actually talking to people face to face and communicating the seriousness of your intent is important to any discussion, any negotiation. And that was what I was I was able to lay out.

AM: Let’s just remind ourselves of what Carlos Ghosn, who’s the head of Nissan, said just before all this happened. He said, ‘if I need to make an investment in the next few months, and I can’t wait until the end of Brexit, then I have to make a deal with the UK government.’ And he says that will involve compensation if I
face tariffs and so forth. How worried were you at the beginning of this process that Nissan might just pull the plug?
GC: Well, it was a huge decision. Sunderland is our biggest car manufacturing plant, it’s a huge beacon of excellence around the world. And these big investment decisions come every ten or 15 years.
AM: A huge one for the government as well.
GC: Exactly. So my job as Business Secretary, you know, if we were sitting here today discussing how we’d let it slip through our fingers and actually we were not going to get the future of Sunderland secured you quite rightly would feel that I hadn’t been active enough. So my determination was to go all out to provide the confidence that the long term investor needs that Britain will be the go-to place for manufacturing cars.

AM: So that’s why you went to see Nissan. They wanted this in writing, did you write the letter yourself?
GC: As you might imagine, through this, there’s been a lot of discussions and communications by letter.
AM: Does it say Greg Clark at the bottom?
GC: I’ve written to Mr Ghosn and to other people that set out reassurances that we’ve just been talking about.
AM: You’ve been very, very clear that reassurances does not mean extra public money. Can I just press you a little bit on that?
GC: Yes of course.
AM: Clearly if you are going to say to Nissan to any other car maker, ‘if you face tariffs we will compensate you,’ that would be against WTO rules. You wouldn’t be allowed to do. It’d be illegal.
GC: Yes, as you said earlier, this is why I think you need to set our your negotiating principle, the way you do it. But also to make a commitment, not to provide compensation because of the reason that you say, that’s not possible, but to have a determination to make sure that this very important sector remains competitive. Let me say –
AM: What about other forms of financial remuneration? What about aiding them in training workers, buying land, better roads, whatever they might need? In other words, soft aid for Nissan. Have you offered them that?
GC: Well, I would just call it soft, because it's quite rigorous.
AM: Right, hard cash.
GC: Let me describe that, so in terms of things to do with Brexit, for all the reasons you say, it's simply not possible to, as it were, compensate for any future risks, so the intention of the government in keeping the sector competitive is important. Now, it is the case in the motor industry that we've had a very long track record of investment in skills, in innovation, in research and development in the sector. But these things are independently reviewed, you can't guarantee them. They are competitively.
AM: But they can expect a bit more help in this regard?
GC: I hope that they will succeed. They have to apply, as other companies, in fact almost every company in their sector would do. That's been one of the secrets of our success in recent years, but everything needs to be reviewed independently. They're competitive. But you know, we want to see the whole industry prosper.

AM: There are, as you know, certain suspicions about this deal, not least from Nissan's competitors. Why don't you just publish the letter? Can you publish the letter?
GC: Well, I can tell you exactly what it said, we've covered some of it. Shall I?
AM: Yes, just run us through what the letter says.
GC: So four key points, three of them on the industry generally and the fourth about Brexit. So the first is what we talked about, are we going to continue our approach with the sector to have competitive and independently assessed funds available to all companies for training and skills and all the rest of it. And as Sir Michael Wilshaw was saying, that's very important, to make sure the workforce does have those skills. So that's the first one. The
second one is about place. And one of the things that we’ve made a commitment to over recent years is whether it’s Sunderland or whether in the West Midlands that we regenerate sites so that the supply chain, the small and medium sized businesses that supply the majors – in the past up to now many of them have been overseas, so there is a joint initiative with the industry –

AM: To bring them home.

GC: - to bring them home. And that again, we confirm that continues to be our ambition. The third, is a particularly exciting one, which is the future of the automotive sector. We have huge strengths in science and research in this country, as you know, and the motor industry is changing very rapidly. Electric vehicles, for example.

AM: Dyson are building an electric car and so forth.

GC: They are indeed. Absolutely. So what Nissan and others wanted to know is are we committed to being at the leading edge of research and development? And we are. Actually the creation of my department that brings Energy and Industry together is a very good example of how you can get our leadership in renewable energy paired with our leadership in automotive and put that forward.

AM: And so finally we come to Brexit itself. And the essence is we will try to achieve tariff-free trade for you, basically is what you’re saying, yes?

GC: Yes, so there are two components, and let me set it out for completeness, so the first is to be very clear about our – what we want from the negotiations, which is to find that common ground between our European friends and neighbours and ourselves. And whatever happens, given that we can’t know the outcome, we can’t know everything... that we have through our industrial strategy, which is very important to the Japanese in particular, who’ve long had one, that we make a commitment to keep competitive the United Kingdom industry. They were the
assurances that gave confidence, I’m delighted to say, that’s allowed these jobs to be safeguarded and enhanced.

AM: And again for clarity, John McDonnell has said that he wants the assurances that you have given to Nissan to be extended to all of the other British manufacturers. What can do you about that?

GC: Well, as I said, I think a lot of these apply to the industry generally.

AM: So not just firms.

GC: No, it’s general. And of course if you think about an industrial strategy that we’re developing, you need to build on your strengths. The automotive sector is one of our great strengths in this country. So of course part of our strategy – how could it be any otherwise – is to keep that competitive.

AM: There’s a lot more meat here than I was expecting, but I’m going to press even further. If we’re talking about a customs-free deal, if we can get one, for manufacturing and so forth, we have also said that we’re going to take back control over migration, which means that we can’t be part of the Norway-style economic deal. We would have to have what is called a customs union, as Turkey and other countries have. Is that by and large where we’re heading do you think?

GC: Well, that is taking us beyond the territory that I was discussing with Nissan. And at the moment the government –

AM: It’s a logical conclusion of it.

GC: Well, what I would say to that is that my discussion, not just with Nissan, but with other companies in this country and investors in it, I think it is important to understand what they want from our negotiation. What’s going to be in the interests of the British economy. That’s what we’re doing, I’m spending a lot of time getting from them what they need. We haven’t made decisions yet on what that crystallises in, in terms of what we want to achieve.
AM: So if we want to get some deal that’s something like a customs union, whatever we call it, that’s very good for manufacturing but it doesn’t deal with the service sector which is still the majority of our economy. What’s the future, do you think, for banks and passporting, because that’s the other really big – and again huge numbers of jobs.
GC: It is indeed. And that’s exactly why it seems to me you need to take it in a considered and sober way to make sure that consider all of the different sectors. Financial services is hugely important. It was ironic that, I think, John McDonnell the Shadow Chancellor was saying that we were completely focused on financial services on the day that we announced, or Nissan announced their investment. But I can-
AM: So alongside any kind of customs union deal you would need some kind of deal to help the financial services industry
GC: Well, part of our negotiation has to be to look right across the board at our industries. And by industry I don’t mean just manufacturing, there’s the service sector as well. The creative industry is very important. My view is that we need to approach this in a serious and sober way, get from them what they need and then go into what is –
AM: If I may, one very final question, we’re running out of time – if business is looking for certainty, then surely it’s very important that Mark Carney stays for his full term as Governor of the Bank of England.
GC: Well, I think Mark Carney has done a tremendous job, a fantastic job during his tenure there. It’s clearly a decision for him.
AM: But you hope he carries on.
GC: I was the Financial Secretary to the Treasury when he was appointed and I think it was a brilliant appointment.
AM: Mr Clark, thank you very much indeed for talking to us.
(ends)