

Building on historic ties

By **H.E. SIMON MANLEY CMG**

AMBASSADOR OF THE UNITED KINGDOM TO THE KINGDOM OF SPAIN



SIMON MANLEY has been British Ambassador to Spain and non-resident Ambassador to Andorra since October 2013. He has spent more than 25 years in Her Majesty's Diplomatic Service, serving in New York and twice in Brussels, as well as FCO director, first for counter-terrorism and counter-proliferation and, then, for Europe. He was made a CMG in 2009. His wife, Maria Isabel, is an Intellectual Property regulatory and competition lawyer and a partner at Bristows LLP.

This Spanish State Visit to the UK, the first for more than 30 years, is a unique opportunity to celebrate not only our historical ties, such as those between our two Royal Families, but also the strength of our current links, whether they be between our economies or between our peoples, and should serve as a platform for strengthening our relationship in the years to come.

Whilst the UK and Spain began forging diplomatic ties amidst the preparations for the marriage of Henry VIII and Catherine of Aragon, the relationship between our Royal Families can be traced back much further, to, for example, the marriages of Richard the Lionheart and Berengaria of Navarre, and Edward I with his beloved Eleanor of Castille. A few hundred years later the wedding of Alfonso XIII and Victoria Eugenia, granddaughter of Queen Victoria, forged the current familial links between our two Royal Families.

Of course, the links go beyond our two respective Royal Families. We have been two great trading nations for centuries and both remain keen advocates of free trade. The Iberian Peninsula and the British Isles have been trading together since Roman times, if not before, with Spain providing olive oil and preserved olives to the chilly legionnaires stationed in one of Rome's less glamorous postings. A few hundred years later and King Edward IV was signing a charter allowing Basque merchants to freely trade their wares, mainly wool from Castille, in England, an early bit of free trading that was duly reciprocated that same

year in Gernika by the Lord of Bizkaia. A little later the trade in wine between Spain and the British Isles was immortalized by Shakespeare in Falstaff's praise for the virtues of "sherris sack" in Henry IV part II. Shakespeare also referred to Canary wine, and of course the trading ties with those islands are now embodied in Canary Wharf, at the heart of Europe's global centre for financial services. Move on a few centuries and the sherry trade had become a distinctly Hispano-British joint venture with family firms like Osborne, Harvey, and Gonzalez Byass producing Britain's favourite tippie.

The nineteenth century brought with it British investment in some of the first stirrings of Spanish industrialisation, be it Charles Pickman in Seville, or Rio Tinto in Huelva. Up in the Basque Country, iron ore was initially exported to the UK to make steel but soon Basque businessmen were importing British coal to make their own steel. And with the investment and the closer trading relationship came sport: the first football team in Huelva, Athletic de Bilbao in the Basque Country, and tennis in Valencia – all sports which remain an area of great Hispano-British rivalry and interchange, not least during Wimbledon fortnight.

In the 1960s and 1970s, Britons started to come to Spain in their thousands and then in their millions, reaching 18 million visits last year, almost one in four of all visitors to Spain. That number is predicted to rise still further this year, enabled by some of the busiest air routes in the world, with more flights between the UK and Spain than between Canada and the USA.

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For all the history, it is, however, over the last thirty years or so, since the last State Visit by a Spanish Monarch to the UK, and the great Seville Expo of 1992, with Nicholas Grimshaw's "cathedral of steel and glass", that trade and investment between the UK and Spain has really taken off, with the major British investments in the Spanish wine and spirit industry in the 1990s, followed by the extraordinary growth and diversification of investment in the last ten to fifteen years. Today, the UK is the number



The Magdalena Palace in Santander: built as a summer residence for King Alfonso XIII and Victoria Eugenia, granddaughter of Queen Victoria, whose marriage forged the current links between the Spanish and British Royal Families

one destination for Spanish overseas investment in Europe, with IBEX-35 companies prominent on our high streets, in our banking system, in our circular economy, in our airports, our automotive supply chain, and our energy sector. Equally, the UK is the third largest investor in Spain, constituting 21 per cent of all FDI into Spain in the last 25 years, with much of that being productive, rather than financial, investment, be it in pharmaceuticals or software development. Our economies are inextricably intertwined. The Airbus planes in which many of you will have flown this week are, like much in the aviation and auto industries, international products, with manufacturing taking place in Sevilla, Getafe and Cádiz in Spain and Filton and Broughton in the UK. And of course, our countries are joined by a British-Spanish airline group, IAG, headquartered in Spain, whose companies link our countries and open them to the wider world. Indeed it is the openness of our two countries' economies that has fuelled that investment boom, and, naturally, our two countries have been – and remain – powerful voices in the EU and G20, arguing in favour of free trade and its liberating power to drive innovation, raise productivity and create wealth.

Along with the rise in investment has come, of course, a rise in trade. For six consecutive years now the UK has imported more and more goods and services from Spain, be it cars or wine, or a dose of sunshine. For example, a quarter of all the Rioja wine that leaves Spain ends up in glasses in the UK – albeit briefly. British exports are thriving in Spain too, whether it be in medicines and chemicals, or food and drink, where Spain is our 6th largest export market, worth £1bn in 2016 – in no small part aided, I expect, by Spanish enthusiasm for the great British gin and tonic. We are each other's number one trading partner for tourism, but our trade in services goes so much further than that. Take financial and business services, which have been such a key part of Spain's recent exports success and in which the UK has long been a world leader – last year bilateral trade in such services was worth £4bn. In total, our countries exchange £23 billion worth of goods and £16 billion worth of services annually, supporting jobs and growth across both countries.

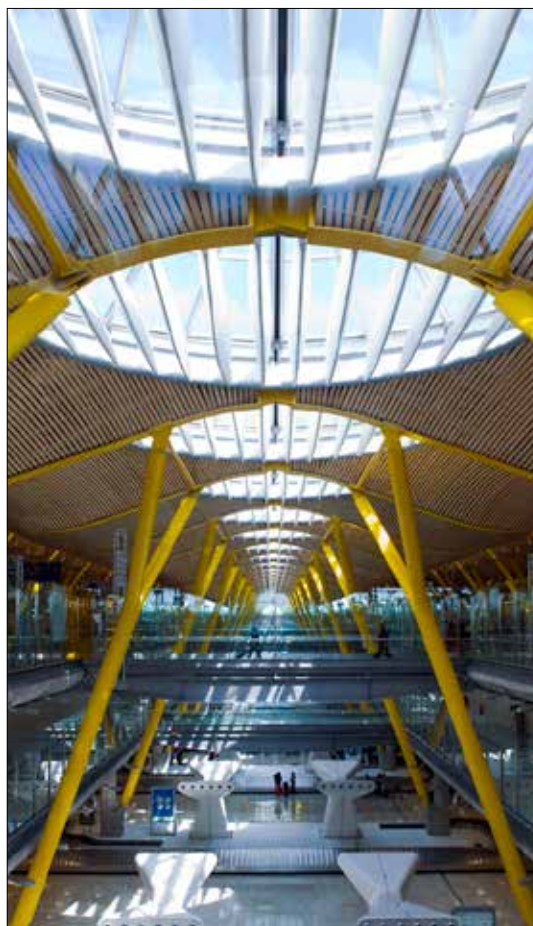
And with the growth of trade and investment, have come flows of people. 130,000 Spaniards now live in the UK, nearly 11,000 of them studying in British universities, others working in key sectors of our economy, such as the NHS, or the City. At least 300,000 Britons live in Spain too, many of them retirees on the Costas and islands, but many too working in the big cities of Madrid and Barcelona, whether for those British and Spanish investors or as self employed professionals.

And of course, the UK and Spain remain key

partners on the international stage. Today, the United Kingdom and Spain are close allies: partners in NATO, the UN, G7 and G20 among numerous international organisations. We continue to cooperate in the European Union, and, once we leave the EU, we want to strengthen our strong bilateral ties with Spain, as we forge a special and deep relationship with the EU as a whole.

The recent terrible terrorist atrocities in London and Manchester have sadly served to remind us that we also face common threats. I can think of few countries who work more closely together in the fight against international terrorism and organised crime than the UK and Spain. Our cooperation is all the stronger for our shared experience of terrorism, and the resilience of our people in the face of terror.

Whatever the short-term challenges, reading about the history of our bilateral relationship and listening to the business leaders, students, researchers and young entrepreneurs who are forging our current ties, gives me every confidence about the future of our political, cultural, and commercial bonds, as our two great nations, and our innovative businesses, look out to our ever more globalised world and seize the opportunities to create the prosperity that our societies demand. ■



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Terminal 4 at Madrid's Barajas airport: designed by British architect Richard Rogers and Spanish architect Antonio Lamela, directed by Luis Vidal, and now home to Iberia, British Airways and Vueling