Good afternoon everyone.

It is 52 years since Professor Klaus Schwab founded the World Economic Forum……

And chose Davos as the location for its annual meetings…… a place described as the perfect sanctuary to escape the outside world.

And there was no shortage of problems for those first delegates to escape in the early ‘70s…..

A looming oil crisis.

Cold War tension with Russia.

Industrial unrest.

And soaring inflation…..

To name just a few….

Looking back over half a century later, it doesn’t take too much imagination to see parallels with today’s world.

Countries experiencing a wave of distinctly old-fashioned economic shocks…..

From an energy crisis, and war in Ukraine…… to strikes and the rising cost of living……

All things we hoped had disappeared along with bell bottomed jeans in the 1970s….. but have regrettably flared up again.

However, unlike those first visitors to Davos five decades ago……

We are not here this week to escape the problems of the outside world.

We’re here – Government and industry – to fix them.

We’ve now got a government which is making the right decisions for Britain, and for our economy.

A fortnight ago, in his New Year speech……

As well as pledging to halve inflation this year, and make sure national debt is falling……

The Prime Minister was unequivocal in his commitment to ‘growth’.

Now for this Government, ‘growth’ isn’t a goal…. a target….. or a destination.

It’s the cornerstone of everything we are doing.

And that’s because it’s the single biggest enabler of everything we want to deliver.

How do we fix the NHS? Growth.

How do we tackle the cost of living? Growth.

How do we level up our country and make it fairer for all? Growth.

Nothing will deflect us from this most urgent of priorities.

But how do we achieve it?

If we analyse Britain’s economic growth since the first Davos five decades ago…….

Roughly half of our productivity increase has come from innovation.

Half of the progress we’ve made as a country, is thanks to entrepreneurs….. disruptors….. risk takers….. and innovators…..

People and businesses daring to think differently.

And the exciting thing is, the change we’ve seen over the past 50 years will pale in comparison when compared with the next 50.

We are truly on the cusp of a new Industrial Revolution.

A revolution in how we do business.

How we communicate.

How we travel.

How we feed a growing global population.

How we power our homes and industries……

A revolution in how we live our lives.

And we have a choice.

Either we sit back as a nation, waiting for change to happen…… and lose our position as one of the world’s leading economies……

Or we propel ourselves forward……

Using the unique combination of assets and talents which Britain possesses to shape the future.

And my overwhelming focus as Business Secretary will be the latter path……

To help businesses grasp the opportunities that lay ahead.

To inspire and support the entrepreneurs of tomorrow.

So Britain can create its own success.

And the key challenge is this:

We have never lacked great inventors, clever ideas, or promising start-ups.

Last year, the UK was ranked among the five most innovative nations on earth by the World Intellectual Property Office……

Ahead of South Korea, Germany, China and Singapore.

So that’s not our issue.

However, we must do better is convert start-ups to scale-ups.

So I want to inspire ‘Scale-up Britain’.

Building businesses that don’t just develop in the UK…..

But stay to grow and mature into world-leaders.

And that’s what I’d like to talk to you about today.

The first step to a ‘Scale-up’ nation is to ‘scale-up’ our ambitions.

I want to make Britain the most dynamic place in the world to launch, grow and do business.

A high-skills, high-wage economy, with a business-friendly culture, where creative enterprise is encouraged and rewarded.

At difficult times like this, our instinct could be to turn inwards, think smaller, hedge our bets, and protect domestic industry by closing ourselves off.

But that’s precisely the opposite of what’s needed right now,

Rather, we must open up more.

We must think bigger, take strategic risks.

We must target high-growth sectors with long-term potential.

We must form new global partnerships….. inviting the world to come and invest in Britain.

And we must build a business ecosystem that harnesses our incredible potential to be a leader in the fourth Industrial Revolution, just as we were in the first.

We know that emerging technology is a market we want to lead.

And we already have the largest tech sector in Europe….. worth over $1 trillion in 2021……

Making us only the third country in the world to ever reach this historic landmark.

So we’re well placed, but how do we scale-up innovators into global leaders?

We must face facts.

We have failed so far to develop any home-grown tech giants that can compete with the biggest global players.

Granted…… that blessed with the world’s finest universities and most enquiring minds, we have produced more billion-dollar unicorn start-ups than France, Germany and the Netherlands put together…..

But why do so many companies move abroad after being nurtured in the UK?

And why doesn’t Britain produce a Google, Amazon or Apple?

After all, it was a Brit who invented the World Wide Web….

I think we can learn a lot from Silicon Valley’s ambition……

And its record creating global tech brands……

But we can also learn from the mistakes it has made.

Its unicorns have sometimes prioritised shareholder value above all else.

Its culture sometimes falls short of the standards we expect from modern employers.

And whilst it has made a few people unimaginably rich, the wealth isn’t shared by everyone…… with homelessness in nearby San Francisco a visible sign of this inequality.

So what I want to create is a Silicon Valley with a British edge.

A scale-up Britain with global ambitions to lead the tech market and improve the world.

So how do we get there?

Well, as Business Secretary, I recognise we have an extraordinary mix of assets in this country to help businesses on this mission.

We host 4 of the world’s top 10 universities .

We have a research-friendly regulatory environment now capable of greater speed and flexibility, in part due to Brexit.

The international language of business is our mother tongue.

We’ve announced the largest R&D budget in our history to become a science superpower.

And the ONS recently revealed that the UK is investing close to 3% of GDP in research and development – significantly higher than previously thought.

When it comes to scale-up finance, we are home to one of the world’s two biggest financial centres.

We’re releasing £100 billion more through the Solvency II reforms that will be used for investment.

We are number two in the world for business start-ups.

And we are number one in Europe for venture capital investment.

Put simply: no-one else has such a unique blend of advantages.

But we have to bring them together to become more than the sum of those parts, to truly harness all our powers – if we’re to scale-up Britain and achieve our potential.

Now, I know that some thought the UK’s vote to leave the European Union was a signal of global retreat.

And I won’t deny that Brexit has brought significant challenges.

I personally voted remain, not through any love of the European Union, but largely because of the huge hassle of leaving.

But here’s the thing……. I was a minister both before and after Brexit.

And now we’ve gone through the process of leaving the EU, I can see how we reap the benefits……

With new trade deals, and new regulatory freedoms.

For example, we got back powers that are already attracting new investment to Britain.

As PricewaterhouseCoopers’ annual survey found this week, the UK is now a top 3 global investment market.

We’re removing years of burdensome EU regulations in favour of a more agile, forward-looking approach.

Just recently, for example, I visited Teesside to see the site for a new lithium refinery built by a company called Green Lithium.

The plant will supply battery grade materials for use in gigafactories for electric vehicles, as well as renewable energy and consumer technology.

This is not just levelling-up in action….. helped by Government funding…..

It’s Europe’s first large scale lithium refinery….. securing critical minerals at a volatile time for global markets and supply chains.

It will provide 8% of Europe’s refined lithium……mainly for cars…..and was made possible by Brexit freedoms….. because we could change how the mineral is classified and that nimble work unlocked investment.

By being more agile, we can adapt to changing circumstances.

And here’s another productivity example…..

When I was Transport Secretary, we faced a global shortage of lorry drivers.

You probably remember the tanker driver shortages which led to petrol queues in 2021.

Well, I announced a large package of measures to help secure fuel deliveries to petrol stations…… many of which again, were helped by Brexit freedoms.

For example, I was able to change the law to streamline driving tests …… something I could not have done if we’d still been a member of the European Union.

And of course, we showed how agile regulation can deliver fast, effective results when Britain led the world in approving COVID vaccines, both delivering the jabs and coming out of lockdown first.

All these benefits give us incredible scope for the future.

Not just to compete. But to drive the tech revolution ourselves.

The market is changing, and there’s a clear space for leadership.

But we are.

A British version of Silicon Valley specialising in digital technologies and deep tech .

We are pioneering so many breakthrough technologies…… from clean and secure energy to life sciences and transport.

We are investing in our world class Catapult Network to explore how technologies can be further applied to industry.

And through initiatives like the Digital Regulation Cooperation Forum, we will continue setting the pace.

We can lead a new wave of digitalisation too….. by developing the Metaverse, Digital Twins and new AI enabled robotic systems .

This wave will be driven by open ecosystems of start-ups and scale-ups, with major players collaborating across borders…..

And like-minded countries developing world-leading standards.

The UK will play a key role in this – for example through the OECD’s recently-announced Global Technology Forum.

We will work with partners to become the global hub for a responsible cyber-physical future.

Our futures will be defined by not just one tech, but many.

Artificial intelligence….. advanced communication networks….. robotics….. augmented reality and immersive technologies….. quantum and blockchain…… all potentially game-changers.

And the UK has strengths in not just one of these technologies - but all of them.

The potential they offer together is greater than the sum of their parts……

With the power to transform whole industries around the world.

So – to recap – we have a unique opportunity here……

Unprecedented in our lifetimes……

To re-equip and re-boot British industry….. for a rapidly changing world.

We have a government committed to growth.

We have expertise in a wide mix of cutting edge technologies.

We have the right environment to nurture business.

We have already launched more than four and a half thousand startups and scaleups working in advanced digital technologies in the UK.

So, with the largest tech sector in Europe, we’re already well on the way to becoming a British Silicon Valley.

But to help us raise our game, we need to listen to a wider variety of entrepreneurs currently driving change.

So I will launch a Scale-up Summit to bring together key frontier tech, development and finance figures who have accelerated tech businesses from start-ups to scale-ups……

Who have worked around the world, from California to Tallin…..

And who can help us replicate their success in the UK, from Catford to Teeside.

In particular, we want to hear from those who have achieved high growth, unicorn status…… and experienced multiple exits.

We will use the Summit to build networks and share expertise.

And establish how best we can use our skills and strengths to spark the growth of tomorrow.

So, despite the prevailing economic news right now……

The difficult challenges that almost every government and business is grappling with……

This is no time to sit back and escape the problems of the outside world, as those first Davos visitors did half a century ago…..

It’s time to confront them.

And the best way to do that is to get our economy growing.

We in government know that this country can’t thrive unless its businesses are fit and flourishing too.

That’s why the Prime Minister, the Chancellor and I are working flat out to not only recover from the toughest period in recent economic history…… but also to prepare for the next 50 years of British innovation…..

Using the unique assets Britain has at its disposal……

Building resilient businesses with global reach…..

And leading in emerging markets that will deliver in the long-term.

That’s how we’ll scale-up our ambitions.

And that’s how we will shape the future.

Thank you.