

# International Trade Committee

## Oral evidence: Inward Foreign Direct Investment, HC 124

Wednesday 16 June 2021

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Members present: Angus Brendan MacNeil (Chair); Mark Garnier; Sir Mark Hendrick; Anthony Mangnall; Lloyd Russell-Moyle; Martin Vickers; Mick Whitley; Craig Williams.

Business, Energy and Industrial Strategy Committee Member present: Paul Howell.

Questions 130 - 150

### Witnesses

[III](#): Lord Grimstone, Investment Minister, Department for International Trade / Department for Business, Energy and Industrial Strategy; Lord Callanan, Minister for Business, Energy and Corporate Responsibility, Department for Business, Energy and Industrial Strategy; Jacqui Ward, Director of National Security and International Directorate, Department for Business, Energy and Industrial Strategy; Ceri Smith, Director General, Strategy and Investment, Department for International Trade; and Daniel Gieve, Chief Operating Officer, Office for Investment.



## Examination of Witnesses

Witnesses: Lord Grimstone, Lord Callanan, Jacqui Ward, Ceri Smith and Daniel Gieve.

Q130 **Chair:** We are back for the third panel of the inward foreign direct investment inquiry of the International Trade Committee. We are now joined by a panel from Whitehall, of all places. We have been to Norway, we have been to various other corners and now we have the Ministers and some officials from Whitehall. I will let you all introduce yourselves, I think there are five of you, in turn—name, rank, serial number as you please. On you go, gentlemen and ladies.

**Lord Grimstone:** I am Lord Grimstone, Gerry Grimstone. I am the Minister for Investment, and I am a Minister in the Department for International Trade and in the Department for Business, Energy and Industrial Strategy, and I am also responsible for the Office for Investment in Downing Street. We also have on the video Lord Callanan, Martin Callanan. He is the Minister for Business, Energy and Corporate Responsibility and has responsibility for the national security and investment functions within BEIS. I have with me, physically present here in the old Admiralty building, Ceri Smith, who is the director general for strategy and investment in the Department for International Trade. I have Daniel Gieve, who is the executive director of the Office for Investment, and Lord Callanan is accompanied by Jacqui Ward, who is the director of national security in the BEIS Department.

Q131 **Chair:** Thank you very much, and thanks, all, for coming along. We have probably introduced everybody there. Lord Grimstone, I believe our paths have crossed a couple of times in the past briefly, but to the matters this afternoon, in DIT's written evidence the Office for Investment says it uses the convening authority of Downing Street while being firmly rooted in the Department for International Trade. How exactly does that work? I assume it is not a line of spin, for goodness' sake.

**Lord Grimstone:** Of course not. Would it be appropriate, Chairman, if I just made a few opening remarks, to put what I am going to say in context? That may be useful.

**Chair:** Okay, if you want.

**Lord Grimstone:** Thank you. First of all, thank you, of course, for inviting us to attend here today. It is a very important subject, and it is very important, of course, because of the importance of investment to our economy. We are delighted to share the work the Government are doing to maximise overseas investment.

The coronavirus, it goes without saying—it is the worst thing that has happened in my lifetime—has presented a unique challenge to the global economy and, consequently, to international investment. This really matters to the UK because international investment plays such a crucial role in our economy. Only 4% of our local business units are foreign



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owned but they are 69% more productive than their British counterparts, they employ nearly 16% of the UK workforce and they generated 40% of business turnover in 2018. It is striking that we have a higher value of FDI companies, UK equivalent, than any other country in the G20. We are the most heavily overseas-invested country in the G20.

It goes without saying that maximising investment into all corners of our country is essential in delivering our levelling-up agenda. We have launched numerous initiatives to support this. We have our new trade and investment hubs in Darlington, Cardiff, Edinburgh and Belfast, and the purpose of them is to help us channel investment into all parts of the UK.

I am sure the Committee is aware that the Prime Minister published his ambitious 10-point plan for a green industrial revolution, and large-scale public and private investment will be the enablers of this. We might touch later on this year's global investment summit. The intent of that is to showcase the UK's strength in green industries, helping us to attract the foreign investment needed to deliver net zero 2050. It is very pleasing that, just a week or so ago, the 2021 EY Attractiveness Survey found that the UK is the most attractive destination for investment in Europe and has the most compelling coronavirus recovery plan.

We think there is a lot of work to do as we build back better. Our job is to continue to strive to remove barriers to investment, and our new Investment Council and our Office for Investment cement the importance of what I call the investor lens in our work. The council provides a platform for 40 global investors to highlight their perspectives, priorities and concerns relating to inward investment, and it is an opportunity to inform the Government's future approach to investment policy.

The Office for Investment—I am sure, Chairman, you will want to hear from Daniel Gieve later on this—works across Government to break down barriers to landing top-tier investments. It is very pleasing that it is already delivering results. In March we launched a sovereign investment partnership with the UAE's Mubadala investment company that included £800 million to invest in UK life sciences. Of course, an attractive business environment and an efficient investment facilitation system are important but financial incentives can be vital to securing investment in a competitive environment. I often say that attracting investment has become a globally competitive sport. It is a sport where you have to be match fit and one that we are determined to win at. We are considering various ways we can offer incentives to investors and how we can make them more understandable and accessible.

As a last message, because I am sure many people are listening to this, I would like to do an advert and say our message to investors is clear: the UK stands ready to welcome you. I am sure, Mr Chairman, your Committee members would subscribe to that.

Q132 **Chair:** They would, indeed, yes. I will be cross-examining them on your



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message there to us; I am sure they have it all memorised. I can see Mark Hendrick definitely has, from his smile.

I should also say that we have Paul Howell joining us from the BEIS Committee. Welcome, Paul, to the International Trade Committee. It is good to see you.

Back to the point, how does the convening authority of Downing Street help the Office for Investment? What does it do for you?

**Lord Grimstone:** It shows the priority that we attach to investment and it shows that investment is partly driven from the very top of Government. I always say that it is good for very big investors to have a front door that they can go through to see our investment opportunities and, frankly, in our system there is no better front door than one that has "No. 10" painted on it. It gives us tremendous convening power and it enables us to help break down cross-Whitehall barriers, but I should stress that it is completely integrated into the whole of the Department for International Trade's investment offer. I like to describe it as the tip of our spear. It is not a separate weapon; it is the little bit at the top of our pyramid for investment promotion.

Q133 **Chair:** EY's report last week on inward investment showed that the numbers in Ireland are greater than Wales and greater than Scotland. What is it doing so much better?

**Lord Grimstone:** As I say, that survey showed that investors think we are the most attractive investment destination in Europe at the moment.

**Chair:** This is in actual investments, not in a survey.

**Lord Grimstone:** Yes. I think we came second to France last year. My ambition as the Minister for Investment is to get us back to No. 1 in that. It is nice to have a target to aim for. As is said, the No. 2 tries harder, and that is where we are at the moment.

Q134 **Chair:** The DIT Minister Graham Stuart said in April that the Office for Investment would not be a behemoth but would be a very small, strategic group comprised of a crack team of specialists, almost an SAS metaphor. Can you briefly describe how the Office for Investment is structured and staffed?

**Lord Grimstone:** Perhaps I may turn to the chief executive, Daniel Gieve, for his view on this. He is the head of that crack team.

**Daniel Gieve:** I am the director. In concept, the Office for Investment is not a replacement of the existing functions; it is an addition. In particular it is organising Government around big investment propositions and making sure that Government joins up. Any really big project will touch Government in tens of places, and sometimes that can be confusing for investors and a barrier to making an investment. We are there to knit people together.



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As such, at the moment it is a group of fewer than 10 fixers, essentially, within the Whitehall system. Those people have been largely picked for their abilities to unify Whitehall, to know how Whitehall works, but equally to be a credible front door for investors, recognising the types of demands from investors on Government and the types of processes that investors go through in making their decisions. We are building the team. It is early days, but I am building it to be credible across as many sectors and types of investments as possible, so that we can provide a credible front door but equally so that we can guide and chaperone these investments through the Whitehall system.

**Q135 Mick Whitley:** I welcome all our guests here this afternoon. My question is to Lord Grimstone. In November, you told *fDi Intelligence* that you were against the Office for Investment having a board to represent the regions, saying that you preferred short lines of command. How will you ensure that the devolved nations and the English regions are not sidelined in the Government's investment strategy?

**Lord Grimstone:** I hope I can give complete reassurance, because my Department is in the process of opening up trade and investment hubs in Darlington, Belfast, Edinburgh and Cardiff, and the OFI will have specific representation in each of those hubs. The OFI will have a physical presence throughout the devolved regions of the UK.

**Q136 Mick Whitley:** I have a further question for you, Lord Grimstone. On Friday, the Trade Remedies Authority confirmed its decision to slash UK steel safeguards, which the sector is clear will threaten jobs and the future viability of the industry. It comes at a time when the EU and the US are maintaining their own defences, thereby making us a magnet for import surges. Given the impact this decision could have on investments in steel capacity and capability in the UK, and given the reservations that Ministers have expressed about this process, can the Government bring forward emergency legislation to overrule the TRA and confirm the extension of all the steel safeguards?

**Lord Grimstone:** I have some knowledge of that, because I have some responsibility for the steel sector within BEIS. As I think Committee members will appreciate, the Trade Remedies Authority is a completely independent authority. Under the existing statute, which is a relatively recent statute, the only ability they have is either to accept or decline the recommendations of the Trade Remedies Authority. In that sense, it is a blunt weapon and, at present, there is a review going on to see whether it is appropriate that it should be as blunt as that or whether there should be more finesse. That review is ongoing. There is nothing more usefully I can say at the moment about that, I am afraid.

**Q137 Mick Whitley:** There is no possibility of the Government introducing legislation?

**Lord Grimstone:** I am not saying that. I am saying that there is a review going on at the moment. As I say, it was a recommendation of an



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independent authority. I am fully seized of the impact it will have on the steel sector. I have already arranged to speak to the steel sector later this week on this subject. It is much in my mind and my colleagues' minds at the moment.

**Chair:** Thank you. I see Paul Howell and Mark Hendrick want to come in. Our guest first, if that is okay, Sir Mark.

**Paul Howell:** Thank you, Chair, and thanks for inviting us today. It is great to be here.

**Chair:** You are very welcome.

Q138 **Paul Howell:** I have a question for Lord Grimstone in the first instance. When we are talking about inward investment into the regions and everything, obviously Darlington is next to my Sedgefield constituency, but I am also thinking about the different agencies that exist. We have the Tees Valley Mayor, who covers that side of things, but how do we make sure that the areas that fall in the gaps between the metro Mayors are still well targeted in this space?

We talk about inward investment as being new businesses coming in, but there is also the position where you have businesses that are already invested. I spent many years as finance director in a subsidiary of an international multinational, and we would compete with our sister companies around the world for investment from the overall corporate. I have had representations from businesses in Aycliffe about how we make sure that we send the message to their parents that the UK is the best place to go, as opposed to elsewhere in Europe, China or wherever.

**Lord Grimstone:** Thank you very much for those two questions. I will turn to Mr Ceri Smith in a moment to supplement what I am saying.

The essential thing about investment is that it virtually always has a place attached to it. Investment does not float around nebulously in the cloud, it belongs somewhere. To have a knowledge of places, to have direct reach into places, is extremely important. It is not that it is a "nice to have"; it is vital to understand place and to bring place to the knowledge of investors. DIT staff are throughout the UK and are posted overseas. We have a programme of so-called high potential opportunities, which is absolutely designed to bring home to investors overseas some of the really exciting investments there are in places.

I feel that my responsibility as the Minister for Investment is to act as a concierge service for investors that are here. I have very frequent contact with head offices of companies overseas about their investment in the UK. It is surprisingly important to make sure that they feel welcome, to know that someone is taking an interest in them, and to know that there is someone that they can turn to if they have any issues. Even in this world of modern communication, personalising this, I find, can sometimes be very important. On a good day I probably have 20 conversations with investors from overseas and, of course, one of the advantages—strange to use that word in connection with a pandemic—is that the pandemic has



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made us very skilled at joining the dots overseas in these communications, as we are doing today. I see it as part of my responsibility to keep these people invested in the UK.

**Ceri Smith:** We are very clear that we have to work collaboratively with all levels of devolved Government in the UK, and we have no sense of competition about who is in the lead. Every area will have their economic development plans. We need to work with local authorities and with metro Mayors, and we need to be able to identify the opportunities that exist. Different areas will have different natural advantages, and that will shape some of the offers we can make to investors. We have to work collaboratively and I hope we do work collaboratively. I had a meeting, I think, two weeks ago with the directors of the devolved Administrations' investment organisations, where we take an incredibly collaborative approach to working with each other to try to identify the opportunities and don't fragment it.

In addition to working with the devolved Administrations, we also have regional teams. We have directors in DIT who are lead directors for specific parts of the country, who work with our regional teams to ensure that we understand what the opportunities are, what particular blockages there may be and we can link up with the bigger system within Government to identify how we might break down some of those blockages. I think Dan can talk about some good examples of where the OFI has worked at a very local level.

**Daniel Gieve:** Yes, I can, but can I first come back quickly on one point? At the Office for Investment we like to think we are focusing on all internationally mobile investment, be that investment that might come in or investment that might be in the UK. It is essential—I think this goes to your point—that we take both of these things extremely seriously. Preserving jobs or increasing jobs of existing domestic investors who could send them elsewhere is equally important.

To Ceri's point, we were reasonably heavily involved in the recent GE Renewable Energy investment into Teesside, working closely with BEIS and also with Ben Houchen and his team up in Teesside to make sure that all came together at the right moment. That is an example of the type of project that meets all the criteria this Government want from investment. It is green energy, it is levelling up and it is working closely between central and local government. It is also a good example within Government of the Office for Investment working with colleagues in BEIS, colleagues in DIT and other colleagues in Downing Street to make sure that we are arranged properly around the proposition so that we do not let it slip for co-ordination reasons.

**Paul Howell:** Thanks, Chair. I could probably talk for another half hour but I would very definitely overstay my welcome so I will hand back to you.

**Chair:** Thank you. I appreciate your leaving that temptation to one side.



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Q139 **Sir Mark Hendrick:** Lord Grimstone, I start by welcoming these investment hubs. I think they are a great addition to what we have in central Government at the moment.

The choice of locations is very interesting. You have capitals like Edinburgh and Cardiff as locations, and then for some strange reason the small town of Darlington in the north-east, when in fact the capital of the north is Manchester with all the infrastructure and human capital that is located there. It is a very interesting choice indeed, particularly given it is a so-called red wall seat, a marginal seat. It is interesting Mr Howell is from that area as well. Do you think there has been a bit of political involvement here and it is not just economic?

**Lord Grimstone:** It is an interesting question. I am sure there is never political involvement in a decision of that sort. I would not want you to think that, just because that hub is in Darlington, its activities are restricted to Darlington. As I said, one of the great benefits of communication nowadays is that one is in touch with everywhere. Manchester, of course, has done extremely well at attracting overseas investment and is one of our beacons for overseas investment. I would not want you to think that the mere geographical location of one of these hubs in any way affects where investment is done.

As I said earlier, all investment has a place. Investors are very savvy people. They know where the right places are. Using Manchester as an example, they have a very good view of what the unique propositions are in Manchester, often based around the very fine university that we have there.

**Sir Mark Hendrick:** As a graduate of the university, I would agree with you.

**Chair:** Are we happy there? I will go to Sir Mark—he is not “Sir Mark”, not yet, but Mark Garnier. I am just anticipating what is coming your way, Mr Garnier.

Q140 **Mark Garnier:** It is only a matter of time, Angus, I am sure, fingers crossed.

Lord Grimstone, you have largely answered my question in that recent exchange where you talked about the Office for Investment being the tip of the spear of the country’s broader investment promotion strategy. I was going to ask you to expand on that, but you probably already have done. What proportion of foreign direct investment is handled by your office or, indeed, your Department?

**Lord Grimstone:** That is a very difficult question to answer. I know in our pipeline we have something like, somewhat ludicrously, 4,600 projects at the moment. Britain is an open and very accessible economy and there is no requirement to come through Government channels to invest here. I will certainly see whether the ONS has any information on that and, if it does, I will write to the Committee, but it is probably a difficult question to answer.



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It is an advantage to an investor to have barriers broken down, to have advice given, and in some ways investors find their way to our door to ask their questions. It has been immensely gratifying how the concept of the Office for Investment has almost become iconic. The number of global investors who mention it to me—even those who have never used it, probably never seen it and do not know what it is—as a very exciting innovation has been really quite striking.

**Q141 Mark Garnier:** Gerry, as you know, I used to do your job when the Department was first set up, as the Minister for Investment, and we kept very careful track of the number of investments that we brought into the country, which we could identify very specifically as DIT wins or DIT successes. One of the things that troubled me at the time was that we were counting them on the basis of project as opposed to value. Can you give me an idea of how DIT is evaluating its success? Is it looking at value, is it looking at the number of projects or is it some sort of quotient of the two?

**Lord Grimstone:** I completely understand that point. Of course, much of what I am doing nowadays is based on what you did when you were here. I think incentivisation, performance indicators, with all due respect, was crude. The number of projects clearly tells you something, but I am not sure it tells you something that is very important.

What are the key factors? To my mind, the key factors are the economic value added and, absolutely critically, the number of jobs created. It is important to look at this from a number of directions. It is something that we are still working through, but neither the Trade Secretary nor myself think that a crude measure of wins in actual, individual projects tells you all you need to know about investment.

**Q142 Mark Garnier:** I am very pleased to hear that, because it was certainly the case where an investment in a one-man internet-based operation in some part of the country would rank at a similar scale of success as, say, a chain of supermarkets being opened up by Kmart, which was obviously very worrying at the time.

Where you are helping in generating foreign direct investment, what is the profile of the person that is being invested into? Are these commercial private entities or Government projects, or is it a mixture of both? Do you have any preference as to what type of investment you are seeking?

**Lord Grimstone:** No, we run an open tent on this, but of course one has to be guided partly by investor preferences and what now are investable sectors. If I were to give some indication of where I think some of our most attractive opportunities are found at the moment, they are certainly in life sciences. I think the great work that has been done in this country in vaccine development has really brought home to people globally the strength of the UK life sciences offer. The fact that the UK is probably the global leader in net zero and clean energy has thrown up an enormous



number of investment opportunities. Tech, certainly fintech and some other aspects of tech, is something where we are thought to be world leaders, and, of course, in infrastructure. I think it would be common ground between all of us that the country needs more and better infrastructure, and that too is throwing up opportunities.

Our job is to make sure that that range of opportunities is known to investors and wherever we possibly can, because a lot of these new industries require catalysation by the Government to get going, to seek co-investment alongside that to leverage Government support to make the financial impact even more meaningful. If I may give a quick example of that, last year the Treasury agreed to put £200 million into life sciences in the UK. We were able to get Mubadala, a very skilled investor in life sciences globally, to add a further £800 million to that so that, instead of having a £200 million pot, we have a £1 billion pot to invest in life sciences. The opportunity, wherever we can find it, to leverage Government pump priming, leverage Government support by adding alongside that private capital, can be a very powerful stimulant to investment.

**Mark Garnier:** It sounds like the Department has come along in leaps and bounds since I was doing that job, obviously nowhere near as well as you, Gerry.

**Chair:** Thank you. I am sure it is nothing to do with a lack of personnel or otherwise.

Q143 **Lloyd Russell-Moyle:** In the first session we heard from the Norwegians, who said they had no real contact and they would not be very interested in working with Governments. They get on and find their investments themselves. The other panel talked about the need for investment in infrastructure to be about people having the right package and the partners. Do you worry that your efforts might seem good on paper but, actually, some of the big investment funds do not see the purpose of it?

**Lord Grimstone:** It does not surprise me at all to hear that because, of course, sovereign wealth funds are a very diverse mix of global institutional investors. Norges in the UK has a very large portfolio with shares in quoted companies. Some of the other sovereign wealth funds that we have may be focusing on infrastructure. There is no one model for that. Perhaps, modestly, one of the benefits that I bring to this role is that I have had the last 40 years working in investment organisations, understanding global investors, and it is horses for courses. It is making sure that you are matching the right opportunity to the right investor.

Again, perhaps what you are hinting at is that it is absolutely vital that we do not just deal in what I call "investment aspirations." Aspiration sounds good, but it is not easy to invest in it. What we have to develop are investable projects. Often it requires the Government, across Whitehall, to do that, and there is nothing better than to have investable



projects that people then compete to invest in. Our role—and I like to feel we are taking a very entrepreneurial, muscular view of this nowadays—is to develop these investable projects and put them in front of investors, whether they are sovereign wealth funds, pension funds or other sources of capital.

Q144 **Lloyd Russell-Moyle:** Do you think you have been quite good in gathering those projects together?

**Chair:** Briefly, if possible.

**Lord Grimstone:** I am afraid modesty does not permit me to answer that question.

**Lloyd Russell-Moyle:** You do not yet know?

**Lord Grimstone:** I do know, but I thought it would sound rather self-serving to say so.

**Lloyd Russell-Moyle:** If you think you have done a fantastic job, there is nothing wrong with blowing your own trumpet sometimes.

**Lord Grimstone:** I do not think we have done badly.

Q145 **Craig Williams:** I wonder whether I can continue that theme, Lord Grimstone. In April, I think it was, you spoke to the *Financial Times* about the drive to secure investment in UK green energy projects, which clearly is very sensible, but you specified sovereign wealth funds and, in particular, public sector pension funds from overseas. Could you dig into why you are targeting those funds or those investors and build on the points that Lloyd was teasing out?

**Lord Grimstone:** Yes, certainly. That was an article about overseas investment, so we talked about pension funds overseas, but it is also pension funds in the UK, obviously. It is a bit of a truism and perhaps it goes without saying that to find investment, you have to go where the money is. The sources of long-term capital tend to be in pension funds and sovereign wealth funds, though there are other pockets of activity. I think it is very important in the UK to find mechanisms that make it easy for pension funds to invest in infrastructure and other big projects. These are quite specialised projects sometimes, so collective vehicles may be necessary, co-investment, where one investor who perhaps may not be fully experienced in the sector invests alongside somebody who is. There is a great deal of interest in this. Matching the opportunity to where the money is, in its simplest way, is what we are up to.

Q146 **Craig Williams:** It is good to see you, Lord Callanan, in front of the Committee today. In the evidence we gathered in previous sessions, we heard there is a fear that the Investment Security Unit may be overwhelmed by casework due to how widely the new legislation has cast that net. To ask you directly, is that your view of the net and the size of the potential casework? If it is, what are you doing to mitigate that challenge?



**Lord Callanan:** Good afternoon, Craig. It is great to see you, and it is a pleasure to be appearing in front of the Committee.

We put an estimate of up to 2,000 cases during the passage of the legislation, and so far we have had no cause to revise that. I am aware that there are alternative views out there, but we have not seen any evidence to back this up. We obviously expect, like any new regime, that we will get a spike in cases as people notify just in case, in the early phases of the operation, but we are hoping to get lots of guidance documents out and we are doing lots of liaison with the investor community. We have said that the doors or the email addresses of officials are open for any investors who want a private discussion about investment opportunities before they make them. We really wanted to make it a regime that is easy, open and accessible to everybody. Just to remind the Committee, the purpose is to target the very small number of hostile actors. We want to work closely with Gerry and his team—I work alongside Gerry—to make sure that we are not a barrier to inward investment coming into the country.

Q147 **Craig Williams:** You do not envisage any kind of build-up of casework as a barrier? It sounds like you are monitoring the spike and there is no problem to see here at the moment.

**Lord Callanan:** We have not commenced the regime yet, but we have a target built into the legislation: a maximum of 30 days to make any decisions, and in many cases we want to do it quicker and faster than that.

Q148 **Lloyd Russell-Moyle:** Lord Callanan, we will stay with you for the next few questions. We have heard evidence that there is a danger of investment decisions being politicised given the broad definition of “national security” under the new legislation. How will you address this risk and make sure that you calm the fears that you will be a kind of political vetting body?

**Lord Callanan:** Well, I can certainly offer you an assurance that we will not. We have adopted the principle that has been followed by Governments of all political persuasions—indeed, it was a definition in the original Enterprise Act—of not defining “national security” because, of course, if we say what it is then we are indicating what it is not. We are determined that this is precisely focused on threats to the UK economy by a small minority of hostile actors, and we will be flexible about how we interpret the regime, but there is no attempt to politicise it. This is about gathering intelligence from the rest of Whitehall, other Government Departments, the intelligence agencies and so on, and making sure we block the small minority of transactions that would be prejudicial to our national security. The rest can proceed, with Gerry’s full support.

**Lloyd Russell-Moyle:** Perfect. The question is always: threats to whom and whose security? There are many people and many interests in this country, but I take your point and I think it is broadly right.



Q149 **Chair:** Lord Callanan, the Government say that the new national security and investment regime is actor agnostic. What do the Government really mean by that and the reasoning with it?

**Lord Callanan:** We said that in response to questions that were asked: is it targeting a particular country, a particular nation, a particular type of investor? The answer is no. The threats to national security can come from a range of different sources, from different actors. The regime is focused on national security, but it is actor or country agnostic in that it is not targeting any particular nation or source of investment.

Q150 **Chair:** Finally, to both Lord Grimstone and Lord Callanan, what roles will DIT and the Office for Investment play in the new national security and investment regime?

**Lord Grimstone:** Obviously we will work hand in hand with them. It is very important that we do not lead investors up a blind alley. If we thought there were any national security concerns, we would involve the National Security Screening Unit very early on in that and work closely with them.

**Chair:** A sensible approach, it would seem.

**Lord Callanan:** I totally agree with that. We very much see the ISU as based in BEIS, but I hope the spokes of the wheel are other Government Departments, Gerry's Department, the Ministry of Defence, the Home Office, security agencies and so on. We intend to draw on expertise from all different parts of Whitehall to make sure we make the right decision and target the small minority of hostile actors. Of course, Gerry and I are Ministers together in BEIS, we talk often and will continue to do so.

**Chair:** I suppose the one criticism or check on that would be to ensure that you were not dissuading those on wrongful data or whatever, and to make sure you are very thorough in checking that, making sure that before you find yourselves leading somebody up the garden path, as I think you said, Lord Grimstone, you are absolutely sure that the decision is correct. Otherwise, yes, very sensible.

Thank you, panel, for coming along today. I know you were the last of three, and perhaps people were a little bit jaded. Hopefully not. Hopefully you found the experience worthwhile. I thank Paul Howell, in particular, for coming along from the BEIS Committee. It is good to see you, Paul. Thank you, all colleagues. I hope you enjoyed the hybrid experience, gathering together in a room in Westminster. I am still a fan, personally, of the 21st century. We will see how it goes over the period coming. Thank you all.