

UK Trade & Business Commission
Frameworks for Future UK

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Hilary Benn MP

Morning and welcome to today's evidence session organised by the UK Trade and Business Commission. Today we're looking at framework for future trade deals, a really important part of the work that we are undertaking, and we are extremely grateful to our six witnesses this morning for making themselves available to give us the benefit of their views, experience and expertise. And I'm just going to ask each of you to introduce yourselves very briefly and say who you are and where you're from, starting with you Michael.

Michael Gasiorek

Good morning everybody, so my name is Professor Michael Gasiorek, I'm a Trade Economist working at the University of Sussex, I'm Director of the UK Trade Policy Observatory which is based at the University of Sussex and also Co-Director of a broader research centre which incorporates universities from across the UK and external stakeholders called the Centre for Inclusive Trade Policy.

Hilary Benn MP

Thank you very much indeed. Sally.

Sally Jones

Morning, thank you for having me. I'm Sally Jones, I'm Ernst and Young's Trade Strategy and Brexit Lead, so I spend my time helping companies and governments to understand trade barriers and how they might be mitigated.

Hilary Benn MP

Sounds like the work we're doing, splendid. Marco.

Marco Forgione

Marco Forgione and I'm Director General at the Institute of Export and International Trade. The Institute is a professional membership institute and a UK charity founded in 1935 with the express objective of enhancing, supporting, professionalising international trade and we do that through qualifications, training, advice, guidance, and practical services to support a compliant, healthy international trade.

Hilary Benn MP

Thank you very much. Claire.

Clair Gammage

Morning, I'm Clair Gammage, I'm Professor of International Commercial Law at the University of Exeter. My area of specialism is in trade linkages, so looking at the way trade intersects with things like environment, labour standards, gender, and human rights. And I come at this very much from sort of a legal focus, so thank you very much for having me today.

Hilary Benn MP

Well thank you. Elitsa.

Elitsa Garnizova

Good morning, everyone. Dr Elitsa Garnizova, I'm the Director of the Trade Policy Hub at the London School of Economics. This is dedicated unit which helps governments and businesses to tackle trade policy and investment, really challenges, but a lot from really coming from an evidence base perspective and bringing in all of the benefits that the knowledge of the LSE can bring. And I'm also the Coordinator of the [inaudible 0:02:44.2] trade implementation and enforcement network which also tries to bridge the policy gap between, the gap between policy makers and academics when it comes to trade research.

Hilary Benn MP

Thank you very much. And last but not least, Mustafa.

Mustafa Qadri

Good morning everyone, as Hilary mentioned my name is Mustafa Qadri, I'm a human rights expert and an international lawyer, I run an organisation called Equidem which is a human rights charity and we do a lot of investigations into the supply chains of British and other multinational businesses.

Hilary Benn MP

OK well thank you very much indeed. Now, I'm going to put the first question to all six of you, so if your answers could be very succinct that would be helpful. I'd like to know looking at Britain's trade policy over the last three years. So Brexit has happened, but looking at the last three years, what would you say have been the successes in terms of trade policy in the last three years and what have not been, or what are the areas where we need improvement. So I'm looking for a pretty short list, and if I could start with you Sally.

Sally Jones

Delighted, so successes, I think there have been some. I think the ones that most immediately come to my mind are the sheer volume of the rollovers which have ensured that a continuity of trade has been in place. The Trade Remedies Authority which got set up at very, very short notice and with a comprehensive skillset, and then I think the Government has done a decent job at putting some of the fundamental building blocks towards having a trade policy in place. We've got an export strategy, it includes services, we have an investment strategy, quite a lot of the fundamentals are there.

If I were to pick a couple of points where I think there are areas for improvement I would say that there's no strategic linking between the various silos of the policy units that are built up and that we're sorely lacking as a country having a discussion about where the winners and losers in any trade negotiation should be. So that we then get the inevitability of a sector feeling it's been hard done by, because there hasn't been adequate comms across the piece to explain why as a whole a particular negotiation or policy area is beneficial for the country. And without that comms and balance score card approach it's very difficult to evidence why it is that some people will have some things they don't like, whereas others are perfectly happy with the outcome.

Hilary Benn MP

OK, thank you very much indeed. Michael.

Michael Gasiorek

Thank you. I agree very much with most, in fact everything that Sally has just said and don't have an awful lot to add to that because I think it's very comprehensive. I think that successes are to do with building capacity and expertise within Government in order to be able to do the negotiating, to handle at least free trade deals if not necessarily broader sets of issues. We've had some modicum of success in signing new free trade agreements, and by new free trade agreements I probably really only include the agreements with Australia and New Zealand. And whilst they might not yield a big economic benefit and whilst the challenges of leaving the EU and the barriers that that results on declining trade, aggregate decline in trade with that result, not going to overcome those, that's still a degree of success. There's also been a bit of success for example in the UK-US steel dispute in trying to resolve that. So, there have been areas of success.

Areas of improvement are clearly I think we need a much clearer articulation of a trade strategy and how it links to an industrial strategy and how it links to everything that Sally was saying about winners and losers, and we currently don't have that. And the other clear area of improvement which there has been a lot of talk in the press is to improve economic relations with the EU.

Hilary Benn MP

OK thank you very much. Can I just ask, the CPTPP, would joining that be a good thing or does it depend on the terms?

Michael Gasiorek

Well economically it's not going to make much difference because we already have free trade agreements with most of the countries that are part of the CPTPP, so I think the shift towards the

CPTPP is much more a geopolitical alignment of the UK as opposed to do with the underlying economics.

Hilary Benn MP

OK, that is very clear thank you very much indeed. Now Sally I can see you're waving your hand but I'm going to get to, just through others first. Marco.

Marco Forgiione

Thank you and I won't repeat because I agree with a huge amount that has been said. Just [inaudible 0:07:40.6] CPTPP has been highlighted there's not going to deliver an immediate economic benefit, but I think if we look in the future and the longer term that there is significant potential for there to be benefit. I think that the move by Government to recognise that we need to move at pace to improve our border strategy to integrate [inaudible 0:08:08.0] as a fundamental part of policy is an area both of acknowledgement of a weakness but also an attempt now to put that right and we want to see the kind of operating model published soon and see the implications of that.

I think another area with regards to the conversations and discussions that take place around the negotiations of free trade agreements, I think there could be a lot more to ensure that the voice of business is taken into consideration and is used as part of that negotiation and a much more regional national based input as well to those negotiations. I think those are areas where there are still room for improvement moving forward.

Hilary Benn MP

OK, thank you very much. Clair.

Clair Gammage

In terms of successes to add I would say that I've been really impressed with the way the Government departments have really reached out to external stakeholders to engage them in terms of sort of understanding what policy means and what it could look like. So, engagement with academics, with civil society organisations I think has been really impressive over the past three years. In terms of where I think there's room for improvement, I've been quite alarmed by the apparent shift away from rights informed trade policy in the past two years in particular, I think there's room for improvement in the impact assessment that seems to be carried out pre free trade negotiation and there is an alarming lack of consideration of real key issues, for example we can talk about the Australia FTA as a relative success for the UK. If you look at the strategic impact assessment there is no mention of indigenous persons in that FTA impact assessment, so I think that question around silos is really important and will the silos between the departments lead to policy incoherence, at a time when we're trying to create policy coherence in international trade strategy.

Hilary Benn MP

OK, thank you very much indeed. Elitsa.

Elitsa Garnizova

I definitely second everything said so far, especially on the successes. I would add the digital space, in the digital realm I think that the UK has done very well in trying to understand what are the challenges when it comes to the barriers to trade in the digital space and trying to dedicate capacity to that, and trying to work through different levels of engagement at the bilateral level and multilateral level too to deal with those issues. And of course one of those is the digital economy agreement with Singapore which is a really good example of this. I would also say that in terms of their engagement with an evidence based approach and trying to bring across all areas of trade policy making and trying to really build areas around the market access, around digitalisation again, having that evidence base to build on.

And on the improvements front I would say for me the big topics are moving away slightly from trade itself but the linkages to national security, particularly economic caution, the climate transformation, so these are topics that have become a lot more prominent in the trade policies of the trade policy and engagement of other countries and our key trading partners and I feel that we need to do some catching up when it comes to those, I would definitely point out to national security and climate as the two big things to be strengthened.

Hilary Benn MP

That's great thank you very much. Mustafa.

Mustafa Qadri

Yes so just very briefly I echo what others have spoken about in terms of human rights but in terms of the successes, well 12 out of 38 of the free trade agreements signed in 2021 contained labour protections and two for example Vietnam and Japan actually include quite a wide raft of fundamental conventions and human rights treaties as well as, you know the really key business and human rights guidelines and standards, so that's a really, really great thing.

In terms of areas of improvement I mean I think that those are actually still quite significant and by that in a nutshell there's obviously quite a bit more to it than this but you know 26 of the 38 FTAs that have been signed or are in negotiation in terms of human rights as well, so that's quite significant. In terms of the messaging going beyond those signed agreements of the ones that are quite advanced, it's very clear that the Government is not prioritising human rights and as other speakers have said that integration of a strategy across the board on the rights and also on climate change is really limited, so there is some reference to climate change but you know I'll give you a really simple example. The Gulf States, obviously very resource rich, really key trade partners, are also per capita the biggest contributors to what is destroying our planet in terms of climate change and you know if you look at the United Arab Emirates they will often talk about rightly the need to transition, they're really ahead of the curve in terms of really building that sector, that's really great. At the same time they're actually increasing their oil and gas production in general. So there really needs to be, with the leverage of these trade negotiations, a real focus on that. The way to look at it apart from these negatives is to concern, it's an opportunity, it's an opportunity for British leadership but also to really bed in, because ultimately when it comes to international relations as everyone knows, trade is a really key part of that, it's the key way in which, it's the engine room through which we build relationships but also we can build leverages for soft power around things like human rights.

Hilary Benn MP

OK that is really helpful, now Sally very quickly you wanted to come back and then we'll move on.

Sally Jones

On your CPTPP question, and I just wanted to pick up on Alan's [sic] point about how we already have free trade agreements with a number of the parties which is absolutely correct, however what my clients are finding is that it's quite beneficial for them to be able to look at both provisions side by side, because there are places where CPTPP is more beneficial than the FTA or vice versa, so they've now got a range of market access options rather than just one. Of course that adds complexity too, because they've got to do the side by side comparison, but it's not an entire ... it's not entirely obvious that the two are exactly overlapping.

Hilary Benn MP

OK, that is really helpful, thank you all very much for that. Right, I'm now going to turn to Alison Williams.

Alison Williams

Thank you, good morning. So, my question is, do you think that the UK has a satisfactory trade strategy and particularly are its priorities aligned with economic and social progress? So I'd like to go to Clair and Mustafa first and then we can open it up and see if anyone else wants to contribute, thank you.

Clair Gammage

Thank you, so my personal view is that the UK Government is articulating a strategy that seems to be evolving and I'm not sure that it's evolving in the direction that I would have hoped that it would have done. But there seems to be over the past two years in particular and my interest really is in the human rights sort of area of trade policy and the way that human rights link in with environment and climate change and the way they link in with labour standards and gender for example. What has happened is the political rhetoric has changed completely from saying we absolutely will have human rights as part of our trade policy to now saying that human rights will no longer form part of the free trade agreements and they will form part of the political dialogue that sits alongside those trade agreements.

Now on the one hand that might not sound problematic and there is a big debate around whether human rights should be in trade agreements in the first place, but as Mustafa has said actually trade is a really powerful mechanism to mobilise change in different countries. Where we can see quite an alarming shift I think for example is if we look in the context of generalised system of preferences and unilateral preference schemes, for example the US actually suspended concessions to Cameroon because of human rights abuses that were being reported through 2020 onwards. The EU and the UK have not since suspended their concessions with that country or changed their trading patterns with that country. And the question there really is, I've raised before is, what does the UK want its trade policy to look like and what it appears to be to me at the moment is the UK is really pushing forward on climate initiatives, we're seeing that through specific financial mechanisms saying we want green finance and my question is where are the rights based analyses that are going with how that finance

could actually then affect communities elsewhere. I think that point that was raised earlier about linking up the external and the internal, how does our external trade policy feed into the domestic industrial strategies, that to me is really lacking at the moment.

And let's not forget, human rights is a concern in the UK as well, how is the industrial strategy affecting social progress in the UK, that's a really important question we need to address. So for me at the moment I would say that UK trade policy is evolving in a way that I think could be quite harmful to human rights and quite harmful not just in terms of its external relations but potentially internally as well.

Alison Williams

Thank you. Mustafa.

Mustafa Qadri

Thanks Alison, just to say firstly entirely agree with everything Clair said really eloquently and really just to emphasise that. There seems to be I think a perception at the moment that you know there's a real need obviously to be building these trade relations, obviously the economy is weak, and therefore perhaps you know I could be wrong, a bit of a short-termism going in which I think misunderstands just how essential respect for human rights, labour rights, in a way that actually is an obligation in these treaties can really make a difference, both obviously as a leverage point but also to remember that you know with for example the Gulf region, with India for example, other countries as well of course but these are very active negotiations. Yes, these are huge markets and of course we want to have access to these markets, it's very good for our economy, but there are a lot of services, products that are made or provided for in the UK that these markets really want. There is a leverage that we want to actually use, but human rights and labour rights are really integrated into that.

And a really simple example of that is obviously things like the modern slavery legislation, or British companies if they're setting up in a place like Saudi Arabia, will your staff be comfortable working in a country where you can literally as a woman go to jail for complaining about the fact that your rights aren't respected or that you're treated as a minor when you're actually an adult. Or that when it comes to India there are significant issues around the rights of minorities or freedom of expression and at the same time if you look at the public discourse you are having these actors trying to invest in British sport, there's a lot of this governance, companies linked to certain regimes investing in our sporting events, we covered the Qatar World Cup quite extensively and it was quite significant to see people that don't normally talk about human rights and labour rights really asking those sorts of questions. What's really interesting is that the Gulf region, the GCC which is the umbrella organisation for the six Gulf states failed the negotiations for trade agreements with the EU failed because the EU refused to budge on their policy of including human rights conditions, and that's a significant thing. There's an opportunity there that's really being lost, so that's just one thing I'd add to what Clair's already said.

Alison Williams

That's great, thank you. Would anybody else like to add anything before we move onto the next question? Yes, Michael.

Michael Gasiorek

I think a lot of those answers are focused very much on the issue of trade and human rights and I'm very sympathetic to a lot of what has been said, but I'd also say I think it's one of the trickiest areas or it's a very, very tricky area when thinking about what is the appropriate role of trade policy with regard to human rights and I think we probably do need to have more evidence on this and more, if you like a national conversation about what it is that we want and what are the acceptable parameters for trading with countries. The actual evidence on whether introducing clauses on human rights and free trade agreements makes a difference to what partner countries do is actually very limited and fairly mixed, there is not a lot of evidence that those provisions necessarily work. Similarly with regard to the GSP provisions, so in its reform of the GSP in September the UK dropped its requirement for certain categories of countries to meet certain provisions with regard to for example workers' rights and human rights and so on, and one of the reasons for doing that was that there was limited evidence that in the schemes the UK was previously part of, for example under the EU, that these had any negligible impact on those particular policies in those countries.

Alison Williams

And just on that, so is it a complete lack of evidence rather than the evidence suggesting that they're not impactful, it's actually we just need to do more research and understand how impactful they are?

Michael Gasiorek

It's a bit of both. So, the evidence, there is evidence out there and it doesn't really show that there has been much impact.

Alison Williams

Thank you, Clair you raised your hand.

Clair Gammage

Yes, if I could just say very quickly, I think one key difference that we're seeing in the shift away from the EU position which is rights informed at the very least, is that we've lost a level of scrutiny that existed at the EU level through their institutional framework, including the European Parliament, the European Ombudsman just before Christmas issued a report around the failings of the European Commission to take sufficient account of the ways in which trade can interact with human rights, and so whilst I completely agree with Michael in terms of it's very difficult to measure the impact and sometimes the results are very mixed, we are shifting away and making quite considerable shift away from where we were previously and we've lost that level of scrutiny.

Alison Williams

OK, we've got two hands up, Chair have we got time to go for a minute more?

Hilary Benn MP

Very quick, yes.

Alison Williams

OK thank you, sorry I'm not sure who was first, Elitsa do you want to go?

Elitsa Garnizova

I think it was Mustafa, but I'll be super quick, we actually did a study exactly on that, and I can share the link in the chat box. It's more about for me I would say it's a lot more about implementation enforcement and of course the domestic factors from that point of view matter a lot and how you structure an FTA, how you structure its implementation in terms of the Joint Committees it's a key factor here, so while the evidence is mixed, we do already know what are the success factors or more of the good practices when it comes to the linkages between trade and the environment, trade and labour and trade and human rights. There is now a lot more on this, so I think that we are definitely clear and on board with that one.

Alison Williams

Thank you Mustafa do you want to close this one?

Mustafa Qadri

Thank you and I'll be really quick, just to really echo everything that has been said before, I mean obviously it is very challenging, the data is very mixed, partially of course it's very hard to show impacts in terms of human rights, but it is what others said, it's not just about trade agreements, they're not a panacea, but it's also about all the things that happen after that. But one thing also to really emphasise, it's a really important point, human rights and labour rights are actually often about really practical things, if you're producing medical gloves, you know yes the labour rights of your workers, but is it done in a safe and sanitary workplace, that can have an impact on people that use those medical gloves in the United Kingdom. Do workers go on strike because they don't have social protections, all those sorts of things, so in fact the way that you might measure it, although it's very challenging, might be in ways that don't traditionally get viewed as human rights or labour rights, so yes absolutely it's not a panacea but it's a really critical initial building block for building in human rights respect in UK's foreign relations.

Alison Williams

Great thank you, and thank you for sharing the link Elitsa, I'll hand back to the Chair.

Hilary Benn MP

Alison, thank you very much indeed. Charles, over to you.

Charles Rose

Morning. My question is about the global trade politics and how Government reflects that in the work that's being done, so the question is, is the UK Government taking sufficient account of changes in global trade politics such as the moves away from globalisation? And I'd like to direct that question initially to Michael and then to Elitsa.

Michael Gasiorek

Thank you. I guess the first thing I would say is I'm not sure that I would say that we have a move away from globalisation, I think it's more that we have a shift to a different form of globalisation. I'm not quite sure quite the direction its heading but I don't think we're moving away from globalisation. I think the changes in global trade politics in terms of the question are that global trade politics are becoming much, much more interventionist than they were even year, two, three years ago and this is on all sorts of grounds that countries are increasingly intervening on trade. National security is often touted as a reason and it's used perhaps as a bit of a catch-all, economic security and we see an introduction of policies both at US, EU and so on with regard to technology, notably semi-conductors, green technologies, the IRA act and the EU's response last week, the green subsidies regulations and so on. And it's also to do with supply chain resilience. So there's a lot more intervention taking place by countries, they're much more prepared to intervene than they were before, to intervene on grounds of national security, supply chain resilience and to try and build competitive sectors. It really isn't clear to me how the UK is responding to those areas.

I think the UK can't possibly hope to compete in a subsidy race with the US or the EU, that's not the appropriate policy response, and our Secretary of State for Trade indicated that in an interview this week or last week and so on, and I do agree with that, but nevertheless we are facing quite a challenging and interventionist policy environment which the UK, it's not clear to me how the UK is responding to that and I think it needs to.

Charles Rose

Thank you, that's interesting. Elitsa.

Elitsa Garnizova

Yes, to really elaborate on Michael's point, it is, I fully agree that there's focus on global supply chains, supply chain resilience especially in high priority sectors is one of the areas which we can definitely put here and I think that the UK Government's approach has definitely evolved, there has been work going on on critical raw materials, supply chain resilience for sure. So, this is very much in the right direction. One of the also areas of improvement is how we, again this is the point of linking internal and external policy, and firstly on so what will be the demands in the UK because of the climate transformation, so what will be our need as a nation to move to net zero and what would that be in terms of the demands of critical raw materials and how do we reflect that in our trade strategy and in our FTAs. So, this is one of the things that we can definitely be more proactive about, about linking how do we yeah make linkages with energy and raw materials in trade agreements and what we need.

And the second point is really the challenge of dealing with China. So I think that this is one of the areas which will be very difficult for the UK to tackle this year and over the next years, it's really how it's going to position itself next to the US which has in terms of its policy motives, it has really turned to reaction to China and responding to China as one of its main reasons to act in a certain way and then alongside the EU which is also undecided in certain areas. But there is a lot to talk about again economic caution that we've seen towards Taiwan, towards Australia, towards other allies, also in terms of the Governments of cities that Michael mentioned. So, for me these are some of the additions on the changes that we have to respond to.

Charles Rose

Thank you, does anybody else want to contribute on this point? Yes, we've got Sally.

Sally Jones

Thank you, just a couple of very quick points. The first is that we haven't yet had the long-awaited Government semi-conductor strategy published and we haven't had the long awaited carbon border adjustment mechanism policy updated, we really need those out as soon as possible because we're falling behind our global competition on those two points. Second is that when we asked the Government to respond on geopolitics, I think we have to draw a distinction between short-term crises and long-term trends. Because it takes any one of my clients a good two years to react to a geopolitical change from end to end. So expecting the Government to factor that into its calculations and its policies is very difficult. Long-term trends we need to be taking into account, short-term trends it's more about an immediate reaction than necessarily a policy directional change.

Charles Rose

Thank you, Marco please.

Marco Forgione

Yeah I want to make Sally's point exactly about how you respond to an immediate crisis or issue and how you deal with those longer-term trends and I think that the Government hasn't really had a comprehensive integrated strategy with regards to how they deal with trade, Sally has mentioned we've got an export strategy but we don't have an import strategy, we're not really linking any of that with a broader industrial strategy or a sense of where our priority industries are and what the reshaping of the supply chain globally is going to mean for the UK. So, I think that there seems to be a recognition that the changes that were made recently I think are positive, but we need to see much more focus on a comprehensive approach to industrial and trade processes and procedures.

Charles Rose

Thank you very much, I must say that I've noticed in my own energy area that the collapse of the British Volt factory in Blythe in Northumberland and the way in which it's been auctioned off I think is, I fear that it lacks a strategic background because we're going from one small company to another and I wonder whether this is going to deliver the security of supply chain. Please.

Marco Forgione

Sorry just to come back on that really well-made point, linking our trade strategy and our imports/exports we need also to look at our FDI approach and how we are ensuring that we are generating and encouraging and right sort of investment in strategically important infrastructure and industrial sectors.

Charles Rose

Exactly, because without the battery plant there's going to be no motor trade. Please, Michael.

Michael Gasiorek

Thank you, I just wanted to add and I very much agree with those comments and well made comments that were made, and I think that part of this absence of a sort of coherent industrial and trade strategy which I think we do need, should also think carefully about the sectors, not just the conditions be this to do with innovation and infrastructure, but thinking about where do we want to be, where do we see ourselves in 5-10 years' time, what are the key priority sectors and what are the current problems in those sectors or emerging problems and car batteries is clearly going to be a major issue for the UK automobile industry which is a key manufacturing industry within the UK, and it's really thinking about what are the barriers to investment, what are the barriers to trade and how can trade policy support that. Trade policy is never going to be the answer, but trade policy can support the transition and the emerging challenges that we face.

Charles Rose

Thank you very much for that Michael, can I pass this back to the Chair?

Hilary Benn MP

Charles, thank you very much indeed. Alan Winters, over to you.

Alan Winters

Thanks very much Hilary and that's to the panel for being here. I guess in a sense I want to continue the previous conversation but just to ask, do you feel that the free trade agreements that the UK has entered into over the last few years are delivering for UK policy priorities, you know for instance about services sector, perhaps also about human rights or environment, carbon policy and so on. So sort of rather a more specific version I guess of where we've been talking previously. So, Mustafa why don't I start with you?

Mustafa Qadri

Yeah, it's a really, really great question. Again I'd say that from a human rights, labour rights perspective it's very hard to measure that in, you know empirical terms, but I think it's very clear as I noted earlier that a very strong signal has been sent that human rights, labour rights won't be prioritised in trade negotiations, in part also there has been messaging around this desperation to

trade relations we used to have with the European Union, with other partners, and so that has actually led to the situation where for example, even a country like say Vietnam or Japan, or in some respects Australia and New Zealand, have actually often been showing leadership in some aspects of human rights and labour rights in those negotiations. But when it comes to very significant partners like say India, and the Gulf states, those things have not had an impact. And you know you see impacts in simple ways such as even British nationals, when they're facing challenges in those countries, feeling that they're not actually getting the kind of support from their Government, a sense that in fact that those Governments can actually, or actors in those countries, can get away with certain treatment.

As I mentioned before, it seems like a rather spurious thing to mention, but these football clubs that are either already have been purchased by effectively highly invested you know private entities or sovereign wealth funds which are effectively State institutions in my opinion, or their interest in them, not only are these really significant social capital, there is a lot of social capital in these enterprises, but they're really big companies and so I think that again it's very hard to measure empirically but also of course when you work in human rights you are inherently optimistic in the way that you think about things and the thing I would say is there's still many trade relations that, negotiations that are on foot [ph 0:36:33.8] as others have mentioned, you know it's very hard to say for sure whether, you know having those provisions in a trade agreement itself leads to improvement in human rights and whether of course, two things should be linked.

And so, I think there are some lessons that should be learnt and again what I'd say is you know part of that is messaging, part of that is the practicalities about talking about human rights and labour rights in terms that are you know obviously talking about values and principles but also functionality, how they are relevant to better business relationships. You know you saw that, and I'll end on this point, during the Covid crisis, there was no coincidence that often the most significant breakdowns in supply chains of course that was an issue around the World, not just in one region and one country, but those breakdowns typically were the worst in countries with very weak, for example, labour protection or where for example Trade Union rights were very limited and so that meant that in fact the supply chains were very vulnerable to those kinds of shocks. So I think it is very important that you know, not everyone will have that kind of sympathy to the human rights, labour rights arguments around trade, but there's a very practical reason why.

So in short I think there have been an impact, very hard to measure that, but rather than us, you know we can moan about that, I'd love to do that but looking forward what can we learn from those experiences over the last three years.

Alan Winters

OK thank you, very interesting suggestion, I'd really be interested to follow up the numbers on supply chains and Trade Union representation.

Mustafa Qadri

As would I, I think it's a really important part of research to do on that.

Alan Winters

I thought you were sitting on a pile of data. Sally, can I turn to you, perhaps a different perspective.

Sally Jones

Thank you, I was itching to jump in. I would like if I may to pick up on services trade, which we all know is a fundamental part of the UK economy, services exports are becoming increasingly important. And I think it's fascinating to see how in this area the UK is actually pretty ambitious for comprehensive services captured in its free trade agreements. Certainly, more ambitious than the global average would be. So ticks all round there. The problem I think is that the services trade has moved on considerably from the standards that were set out at the WTO in the global agreement on trade and services in 1994 from memory and that all FTAs including the UK's FTAs is still perhaps ten years out of date. We see things in for example the India negotiations and India of course has never signed a free trade agreement with a services chapter, so at best we're trying to go a little bit beyond India's GATs [ph 0:39:32.7] commitments, which are radically different from services chapters in say the Australia/New Zealand agreements or indeed the Singapore digital agreement.

So on services I think the ambition is absolutely right, but there's more that could be done to align the policy with the UK's economic reality.

Alan Winters

OK, thank you very much. Does anybody else want to add a bit on that? Yes, Marco.

Marco Forgione

[Inaudible 0:39:59.8] is a really important one and I think that we sometimes overlook the fact that trade and services supports manufacturing as well with the servicification [ph 0:40:11.5] of the manufacturing sector, making sure that we've got comprehensive services included in our free trade agreements is really important. Looking practically as to the question whether they are delivering benefits, we had a webinar with 500 of our business members at the end of last year around the free trade agreements and it's clear that there's a real lack of understanding amongst businesses as to what it means for them and how they can seize the opportunities that the free trade agreements offer and we see that in real time because there's a poor take up of the opportunities [inaudible 0:40:54.4] around the free trade agreements. So I think they have the potential to deliver economic benefit, to deliver business opportunities, but the business community is really struggling to understand how they use them or understand what the implications of those free trade agreements are, so I think there's a significant piece of work that needs to be done around that education, information and support around the free trade agreements.

Alan Winters

Clair.

Clair Gammage

Thank you, just two quick points, one to build on what Marco has just said. Something that the EU has done, it's done quite well, is to create tools, online tools for businesses to be able to access and see what preference can they access and what rule of origin would they have to satisfy and what that actually means in practice. And developing that kind of practical policy based tool could really help micro and small, medium sized enterprises to use FTAs, so it's not just large corporations using them.

The other point I was going to make is that I think that there needs to be a greater understanding around the intersections between global value chains and FTAs, the way they work with one another, against one another. Mentioning British Volt is a good example of supply chain awareness, you know they had a big investment from Glencore, Glencore mines in the Congo and is well recognised as a human rights violator in the Congo for the way it mines its cobalt. So although we're told that it's a sustainable relationship there are question marks around that. So this understanding between the way supply chains work in the context potentially of FTAs or outside of FTAs, the way finance is linked to trade, the way that investment is linked to trade, I think these are the sorts of things we need a greater awareness of if we want to build a really coherent trade policy.

Alan Winters

Thank you. Michael.

Michael Gasiorek

Thank you. I have a comment and in part also sort of a reverse question. So my comment if you like, the question that you've asked us here is are the free trade agreements the UK has entered into delivering UK policy priorities, and I think it's important to be realistic here that the extent to which a free trade agreement can actually deliver, in particular free trade agreement with a country that's very, very far away such as Australia and New Zealand and has a small share of our trade. The extent to which it can deliver just in terms of the actual magnitudes involved is going to be small. The second caveat I would raise is that what these free trade agreements can deliver depends very much on what the partner countries are prepared to agree to and in many cases the UK's negotiating position is not necessarily very strong, again because of the economic importance of that trading relationship. So, it's easy to criticise for example given agreements that they didn't achieve very much, but we can have a long list of demands, but it depends on the other party wanting to accede to those demands, and that's not so obvious.

And then my question which is really I guess back to Sally which is on the services provisions, and I'm really not a services trade expert, but my understanding of the sorts of agreements that we've signed, New Zealand, Australia, Japan and so on, is actually there's a degree of services liberalisation is not that great, so while I agree that the ambition is high, the amount that's actually been liberalised is really largely locking in existing unilateral liberalisations as opposed to further liberalisations, except you know there are some areas, financial services or international maritime transport in the Australia agreement, but by and large it's kind of locking in what countries have agreed to do anyway. Now that shouldn't be underestimated, that locking in is potentially very, very important because it provides certainty, but I'm not sure how much has actually been achieved in terms of further liberalisation.

Sally Jones

Very briefly, Michael is touching on one of my absolute bug bears which is the implementation of negotiated deals, as opposed to the actual negotiation of them. Often in services chapters one finds provisions based around best endeavours or certainly non-binding commitments which is deeply frustrating and if we were to take the UK/Canada free trade agreement which is a rollover of the EU/Canada free trade agreement, there is some absolutely outstanding provisions around the mutual recognition of professional qualifications, but all of them are on a non-binding best endeavours basis, and to the best of my knowledge there hasn't been a single professional

qualification that has yet been mutually recognised five years on because it's not been prioritised. It should be, but it's not.

Alan Winters

OK, thank you. I had a supplementary question on this which in a sense was the UK Government has, what shall we say, stressed the speed of doing these agreements and I wonder whether you feel that that's compromised their ability to persuade other countries to come as it were to where we want to be, and you know whether or not that's the case, whether that informs our strategy for the negotiations that are going on, we've got quite a number that are going on now, re-negotiations or new ones. Elitsa, I don't know whether you want to start off on that.

Elitsa Garnizova

Thanks Alan, that's a really good follow up question. I think it matters a lot in terms of we know that publicly tying your hands to a specific deadline is problematic both for your internal constituency but also externally for your trading partner. And not so much for the signed ones but I definitely see it as a constraint with India coming forward, Mustafa mentioned the GCC, even slightly the CPTPP deadline that has been set by the UK Government itself to fulfil within a certain time limit, because especially just to start with the India one, we know that there are gains on both sides from potential agreements, but just like with any other FTA, signing an FTA is a precedent for future engagement with other countries, once this is on paper that means that other countries can request the same or can decide not to give you more than what you have given the specific partner. And of course I think that everybody is aware that India is a tough negotiator, that it has a specific set of concerns that are there, but especially when the negotiations kicked in, my biggest hope was let's not rush this because there are clear business gains on both sides and these are well documented across taxes, technical requirements, standards, intellectual property, everything that you could think of on behalf of UK businesses. But we are back to what Mustafa said, but what about human rights, but what about the environmental goals that we set ourselves as a nation.

So, we don't want to definitely rush to complete a deadline with the idea that we might be making it very problematic to agree on those things that we feel that are important for the UK and not just for businesses but also for consumers.

Alan Winters

Thanks, Sally or Sally's cat perhaps.

Sally Jones

Sorry, he's a pain sometimes. You can have a fast deal; you can have a broad deal, or you can have a good deal, but you can't have all three.

Alan Winters

Right, there we are, we'll make a note of that. Thanks very much, that sums that up a lot. Marco.

Marco Forgione

Just to reinforce that point, the problem, the real challenge of setting a false deadline is that the rush then is to get the signature done, to get the piece of paper signed and we miss the sense of how are we going to make sure that the FTA is communicated effectively and then utilised, and separately we miss the point of ensuring that our systems, processes and procedures are aligned between the nations, which again creates a problem for that utilisation, so setting a deadline we would firmly urge against.

Alan Winters

And Clair.

Clair Gammage

Yes, thank you, at the beginning of the session most of us raised the fact that actually there appear to be incoherences or inconsistencies in the UK's trade policy and so the idea that you would rush to conclude a trade agreement when you're actually not yet clear on your own trade strategy I think is really quite concerning. The other point to make is that when negotiating a trade agreement that you know the best deal will come if you have consultation with different stakeholders throughout that process and that goes back to Marco's original point, you have to bring businesses in and bring in those stakeholders of who is going to benefit from that and bring in other organisations as well. So I think a good deal will come from taking time to establish what your priorities actually are, and having consultation around what those priorities are and should be for the short-term and the long-term.

Alan Winters

OK thank you, that's all very useful. So I'm afraid I have the next question as well, so if I can carry on Hilary. A sort of change of focus in a sense, we've just been talking about forthcoming trade agreements really but as one of you commented we've got 38 of the things already. Do you think that the Government is implementing these sufficiently carefully and also do you think there's enough monitoring and measurement of the results going on? Marco, I don't know if you want to start with this?

Marco Forgione

Thank you. Are they being used sufficiently, no. Is there enough understanding amongst business over how they can utilise the free trade agreements and the terms of them, no. And we've evidence of that as I say both from our members, the wider trade community and statistics will show that they're not really being utilised. It is however early days so you know there is time, but it is going to take a really concerted effort across the totality of Government to ensure that we get these right on the policy side internally in order to make use of our trade agreements and a lack here, this has been stated before but it is relevant, is that there has been a clear link up made to our industrial strategy, our export strategy, our import strategy and what we are hoping for with regards to the UK economy in the future. And only when we've got that central coherence are we really going to see the benefits of any of the free trade agreements.

Alan Winters

OK, thank you. Sally.

Sally Jones

I suppose my point here is what are we supposed to be measuring in terms of the impact of our existing deals? The Australia and New Zealand deals aren't fully implemented yet, the Japan deal is marginal at best because it's essentially a rollover as are all of the others, the Singapore digital agreement is a digital agreement and we know that the services data is pretty rubbish anyhow because it's difficult to collect, so we can't really measure their impact on a global basis because there is, as yet, nothing to measure. What we would argue I think is that we do need proper impact assessments done in due course so that we can once they've had a chance to bed in, understand exactly what their impact is.

I mean the reality is though that implementing trade deals is boring and turgid technical grind on the whole and we're going through that process right now.

Alan Winters

OK or not as the case may be. Elitsa.

Elitsa Garnizova

Yes, I was going to second Clair on particularly on the impact assessments as a baseline that we are then going to be using in order to see against what we expected the impacts of an agreement would be, what has actually come to fruition and whether there have been any unintended consequences which is usually what we want to look at, when we do such types of evaluations and [inaudible 0:53:18.0] after an agreement has been implemented. And I just wanted to say that I think that this is actually 2023 is supposed to be a crucial year with the IT publishing its strategy last year, so it's really working on building the capacity to do this and from personal experience it takes so much time and so much resources to actually do proper evaluations, I mean not even to talk about the monitoring and the implementation, just an evaluation itself for a large agreement which is between two parties with such a broad coverage as most of the agreements are. It's a very expensive process and it requires a lot of capability and skill, so that just means also how the UK Government works with also external organisations and sets out its actual agenda and priorities to how these are going to be evaluated.

Alan Winters

Thank you. Michael.

Michael Gasiorek

Thank you. I agree that the new agreements it's by and large too early to do any sort of comprehensive assessment. The agreements with Australia and New Zealand, well Australia was signed in December of last year, well December 21, New Zealand February 2022, so it's too early to do an impact assessment. I guess one could do an assessment of Japan for example because that, following on from the agreement with the EU which was 2019. But what I think ought to be in place is mechanisms for undertaking assessments X years after an agreement and that is part of what the

IT or whatever the new department is called or going to be called, is required to do. So, for example I mean they had this for example in Korea, that five years after the implementation of an agreement there has to be an evaluation of that agreement. The other thing that I think would be very useful to have is on an annual basis is a report on the state of play on the free trade agreements that the UK has signed. So the US has this, it produces an annual report which says these are the issues that arose, this is how we try to resolve them, these are the ongoing areas of discussion between us. I think it would be very, very useful to have an annual report that says where we are with regard to the agreements themselves.

And finally just with regard to the point that was made a minute ago, which is that doing evaluation is quite complicated but there are also some fairly standardised techniques for doing those evaluations and one could put those into place and say look, we understand the limitations of these techniques, but on a regular basis we will do some ex-post [ph 0:56:03.8] evaluations of what has been the impact on exports and on imports and on trade generally.

Alan Winters

Clair.

Clair Gammage

Yes, thank you, just to add to that I absolutely endorse everything that's been said already. You know the domestic advisory groups are already meeting on some of the agreements, so you know Japan, Canada, the Andean [ph 0:56:23.4] communities, so at least there is some discussion beginning to take place around you know consultation of how those agreements are being implemented. One of the biggest challenges of course is data disaggregation, data collection on key indicators I suppose but as Michael says there are standard sets of indicators and metrics that we can use to measure implementation in certain aspects.

I think one thing we can certainly learn from the EU experience is if we looked for example at the five year and then the ten year review of the EU carry for an economic partnership agreement, concerns that were flagged in the five year strategic review were not then addressed for the ten year strategic review, so by the time the ten year report was published it had all of the problems from the five year with some more added on from the ten year. So, if we're going to do these kind of implementation exercises, it has to be meaningful and there has to be this kind of approach that Michael has mentioned with the US where you say what was the problem and what did you do about it. Not just this kind of you know action that we're doing when actually in reality we're not doing anything at all.

Alan Winters

OK, thank you very much. It's all music to my ears, it means lots and lots of resources for people like us to do evaluations which of course would be thoroughly useful. So thank you very much, very useful, let me pass back to Hilary.

Hilary Benn MP

Alan, thank you very much indeed. Right, next to Stephen Farry.

Stephen Farry

OK, thank you very much Hilary and good morning, everyone, and could I ask, is the UK Government giving sufficient focus to trade policy tools in addition to FTAs such as market access cases, and also global institutional rules. And also has the Government approach to trade remedies been appropriate? So not quite sure who wants to field that, if any hands want to [inaudible 0:58:08.6]. Sally is first up, thank you.

Sally Jones

Go on then if you insist. So I think we've done some interesting and good work but there's more to be done, so again where there are successes I think are around our work at the WTO where certainly at the 12th Ministerial last summer, so summer 2022, the UK was right at the heart of some of the most important discussions and we've continued to be an active player across several of the working groups and joint committees, so on that point the global institutional rules, I think the UK is doing a decent job. On trade remedies, I think we need a conversation about what we actually want our trade remedies policy to be, is it overtly political, is it deliberately apolitical, is there some other approach we want to take. And in terms of market access cases, and indeed trade remedies, I'm not convinced that British business in particular has understood quite the extent to which the landscape has changed and that there may be opportunities for challenge that hadn't previously existed before and more work around that from a comms and engagement perspective would be really useful.

Stephen Farry

And over to you Clair next please, thanks.

Claire Hanna

Thank you very Stephen and thank you very much to our witnesses, so far ... can you hear me, Stephen?

Stephen Farry

Sorry Claire, yes, I thought it was Clair one of the witnesses sorry.

Claire Hanna

No that's fine, I'll hand back.

Clair Gammage

Too many Clairs in the room, that's the problem.

Stephen Farry

I know, it's wonderful.

Clair Gammage

No, I'm happy to pass on this one, don't worry. I would just echo what Sally has already said, I think the key thing is around educating businesses as to what's available and what might have changed. As I've said before with some of the smaller businesses in particular, navigating this new landscape is really challenging and I do actually think the Government departments have done a considerable amount of work to try to educate alongside other consultancy firms, but there is a real lack of understanding. When we speak to people in the south-west who are small businesses, they have really very little understanding sometimes of what they may be able to do. So I just think it's an education point and a dissemination point, but in a language, in a vernacular and using tools that is understandable to those people.

Stephen Farry

Thank you very much Clair, our witness that is, and we look forward to Claire the Commissioner shortly. Over to Marco next and then Michael then Elitsa, so Marco please.

Marco Forgione

To echo Clair's point, making sure that we have an engagement programme that isn't just across the full spectrum of businesses [inaudible 1:01:00.0] the regions and nations is going to be essential to making sure that the understanding is there. To Sally's point, the TRA has been brilliantly set up and is a great initiative, but I think we were beginning to see now a real challenge over what their role actually is and how they're going to undertake their work, whether there is that political element to it or it is purely factually based. I think that needs to be brought out and clarified very quickly. I think there's a wider piece as well which is around interoperability and systems and alignment, particularly with regards to the mutual recognition and equivalence piece that also I think is lacking from some of the negotiations and the engagement and certainly the implementation.

Stephen Farry

Thanks, and over to Michael.

Michael Gasiorek

Thank you, so on this issue of trade policy tools in addition to FTAs and global institutional rules, I agree with what Sally said earlier, I would add to that however that in a sense what that question [inaudible 1:02:21.6] is the fact that trade policy is not just about free trade agreements, there's other aspects of trade policy that governments need to engage in when engaging with international partners and while we may have engaged positively in various ways in the WTO, there are other areas where perhaps the UK could do more, so for example the UK is not part of the MPIA, the Multi Party Interim Arbitration panel for dealing with disputes and things and I think that's a shame, I think the UK could be part of that and that could help to resolve disputes that may arise. I think there are issues around carbon taxes and how trade and climate interface with each other and what the UK's role is on that, and how it interacts with other countries and talks to other countries as to what the solutions to this might be. This is not something that can be easily resolved through bilateral free trade agreements, this is an international problem that requires international coordination. So, I

think there is more that the UK could do probably engaging with plurilateral solutions as opposed to sort of strictly speaking multilateral WTO or the more bilateral FTA solutions.

Stephen Farry

Thanks Michael, and over to Elitsa.

Elitsa Garnizova

Just to wrap up a very minor comment, I think that one of the things that has for sure improved and we have seen a lot of work being done in that respect is the evidenced based approach to our market access barriers, to their measurements, trying to sense their impact and maybe to try to both prioritise and to try to understand through what channels they can be addressed, so just from a personal point of view, we've worked on a lot of projects in different countries to exactly try to rather than politicise market access and trying to sort of target everything that is out there in a partner's market to try to actually understand what are some of the priority issues and how they could be addressed. So, I would say that the methodologies in trying to critically assess what they have available and Government to assess those is something that has been done well.

Stephen Farry

Thank you very much for that, can I just check Mustafa if you want to come in on this one, if not we'll pass onto the Chair.

Mustafa Qadri

Thanks Stephen, nothing really to add and it's not really an area of my expertise to be honest so I'll pass.

Stephen Farry

OK that's great, OK well thanks very much to all of you for your answers and back to you Hilary.

Hilary Benn MP

Stephen, thank you very much indeed. Now we turn to Geoff Mackey.

Geoff Mackey

Thank you very much Chair, good morning, everyone. Really interesting session so far, if I could just be a little bit more pragmatic from my perspective, I'm really interested in the process regarding formulating policies on trade, so the question of how policy is informed using industrial strategy and also the links with stakeholders, the devolved Governments and indeed the business voices is what I'd like to just examine for a few minutes if that's alright. Marco you'd already mentioned alignment, could I start with you please?

Marco Forgione

Absolutely Geoff and the recent history of the way in which policy has been developed is somewhat questionable because of a lack of integration across Government and a sense there's a real trajectory and direction of what we want for the UK economy and the businesses, a lack of understanding of our priorities or a proper integration with regards to our fiscal financial approach as well as our policy and regulatory environment. Hopeful that the creation of a new department will help address some of those issues, but even in doing that there has to be clear input and engagement from the regions and the nations of the United Kingdom and a genuine engagement with the business sector and that's businesses of all size, because we can't just focus on the large multinationals or even the medium size enterprises, we've got to be [inaudible 1:06:51.1] the next medium sized businesses and large business is going to be a micro business or a small business right now, so that there has to be a genuine understanding across Government of what our industrial, our import and our export approach is going to be and then have a stable environment, because as Sally has said, you know for businesses to respond to a changing environment it takes them a few years to really integrate those changes. So we'll need a period of stability and a proper cross-Governmental approach and just as a plug we issued a research paper last year which highlighted that there should be a cross-Government committee focused on what our trade policy is going to be [inaudible 1:07:39.3] of the totality of Government because all Government departments have a role to play.

Geoff Mackey

Thank you very much Marco, I'll shy away from any remark of it moving the chairs that gives the definition of progress. Michael, you'd actually mentioned industry and sector, would you like to pick that theme up with the voices in the sectors and industries and not forgetting the devolved Governments because that gives a different filter to the conversation.

Michael Gasiorek

Yes thank you for the question. It's hard not to agree that the Government needs to work closely in the formulation of its policies with key stakeholders and clearly that includes the business community and that shouldn't just be the large businesses, it should also be the SMEs. But I would also add to that that there are other stakeholders, which the Government should also be engaging with, such as consumers and TUC and so on. So if you look at for example the DIT's trade advisory groups, has a whole range of trade advisory groups which supposedly feed into the formulation of trade policy. They are almost universally dominated by business representation, they've got very little representation from consumer groups, very little representation from worker groups or from the TUC and so on, and almost no representation, forgive me I will waive the flag, from if you like independent academic groups that might feed into that process. So I think consultation is incredibly important, I'm not sure that the Government at the moment does it as comprehensively and as well as it could.

When it comes to individual free trade agreements, the Government engages in these consultation exercises and has got sort of two categories of these, it's got a slightly fuller category for new agreements, it's got a slightly lower category for renewal of agreements, where it asks for submissions into the consultation exercise. I think it's hard to know to what extent these consultations are formulaic and are there because it's felt that they ought to be there and to what extent the Government is actually listening to those responses. It would be very interesting to know if, as a result of those consultations, Government policy what it has tried to negotiate, what it has

negotiated, has changed or not. So I think the consultation process could be better than it currently is.

Geoff Mackey

Which is a good place to finish on. Professor Gammage, I'll shy away from the word Clair, could we just come to you now as part of this conversation, you also talked about things like ESG metrics and you brought in all sorts of pieces of that jigsaw, how do we bring these voices to inform trade policy, when I want to talk about industry?

Clair Gammage

It's a tricky one. I think that consultation is key and consultation and participatory processes in the design and development of trade policy is really important. How you actually mobilise that I think is a different matter, it's very complex. I think there has to be this kind of feed in process of the regional through to the national and within that you want stakeholders from different backgrounds, not just businesses but also civil society organisations who may well be able to tell you about certain impacts that people within the locality have. So if we talk about consumers for example, within specific parts of the UK we know that the consumer base will have quite different needs and interests and those civil society groups may be able to feed into that and to explain where we have a more rights based concern for example around levels of poverty for example. You know in our major cities we may have lots of economic growth, we also still have very high levels of poverty, it's very divided in our cities. And then we get to the rural areas which are affected in an even different way.

So, I think that consultation and participatory processes need different groups involved. You have groups like Trade Justice Movement for example, they're a group that should absolutely be involved in terms of external and internal policies and in terms of the design of those processes. I think you need to start bringing in stakeholders that are maybe not always traditionally around the table and the way to do that is to go out into the localities and to find out which groups are representing the interests of the people within those areas and to ask them to talk. When I've reached out to people as part of funded research, they're more than happy to talk to us but the one thing they say is we don't have a link into Government, we've got no link into DIT, we've got no link into these sort of groups to tell them what the problems are that people in our constituent areas are actually experiencing. So I think it needs to be about broadening the participatory base. And around ESG it's about actually looking through different optics at the data that we're given and not always just taking it as sort of, you know that it must be a sustainable thing or environmentally good thing because you know that British Volt one is a good example, yes it's making electric vehicles, yes that will be good for climate change, but there are other things happening down the supply chain that might not be quite so good. So it's having that holistic view of something as well when we're starting to develop these kind of indicator based assessments but also consultatory [sic] processes.

Geoff Mackey

Thank you very much, that really was useful. Mustafa we're talking about different voices and where do the devolved administrations come into this because the voices are different from all sorts of directions from your perspective.

Mustafa Qadri

I think my connection is very weak, I don't know if you can still hear me.

Geoff Mackey

Yes, we can, thank you.

Mustafa Qadri

Can you hear me alright now Chair?

Geoff Mackey

Give it a go.

Hilary Benn MP

Yes, we can hear you.

Mustafa Qadri

Sorry about that. Just to say ... brilliant, excellent, excellent. Just so yeah first everything that Clair said I think really powerfully, yeah so I think it's a really good point because what you have is a relatively unique governance structure in the United Kingdom, yes there are sort of federal states around the World but also what that means is that the kind of leverage and the relationships in terms of international trade that you have here don't just obviously happen with the central Government, what they control, and so I think linking to what Clair said is again yes, recognising the gaps in adequate inclusion of those perspectives into so much of the impact of trade, of international business activity, happens at a very local level and at the same time also using that as an opportunity to educate people about some of the impacts which may not have been thought about but of course also can actually have an impact practically in terms of trade. So I mean a really simple example is, you know Clair talked about this with the electric batteries and that industry really growing in the United Kingdom, well the supply chain as we know largely coming from Congo in Africa where there is a really appalling situation in terms of labour rights and human rights, something that actually really needs to be addressed in those terms, but also can actually have issues for reliability of the supply chain.

And so yeah, it really is about having that integrated approach, having all stakeholders involved including of course these devolved authorities and of course in the regions as well, really, really important.

Geoff Mackey

Thank you very much. Michael, you wanted to come back on this one.

Michael Gasiorek

Thank you, yes, I just wanted to add one more point, I agree very much with what Mustafa and Clair have been saying about the importance of participatory processes and the importance of listening to the concerns of stakeholders, consumers, regions and so on. But what's also important is, and this is very much a feature of free trade agreements, is that they involve negotiating one thing against another thing, they cover a wide range of areas. So it's also important to understand the sorts of trade-offs that people, stakeholders, businesses in the UK, may want or may be prepared to accept. You know we saw the classic debate when we signed the Australia agreement and New Zealand agreements about OK, so we've got access to the Australian market but we're giving up access, or we're giving them much more access to agricultural goods. That's the kind of trade-off that we need to think about, and Government needs to consult on, as to what is acceptable and what is needed for the country.

Geoff Mackey

Thank you very much. [Inaudible 1:16:45.1]

Elitsa Garnizova

I can definitely second a lot of the points made already. Mine referred mostly to what Michael said earlier which I think is that having run a lot of consultations on behalf of the European Commission and UK Government it's really for businesses to understand, not just for businesses but consumer organisations and other groups to understand how their concerns and comments have been actually factored in. I think there is a little bit of a fatigue especially amongst businesses, especially in this period of many different initiatives are taking place, many different negotiations and we are constantly asking businesses for feedback. And of course part of their policy participation is to provide that, but it's really the process of how it then gets considered, how it gets through the internal machinery of Government and what actually happens with this information. Because businesses in some other systems are very essential in how they provide information about let's say market access barriers, investment opportunities, opportunities from trade agreements and it is really about getting them onboard and explaining what is the way through which those processes that also Michael described happened, that their considerations are taken into account. So I would say business fatigue and clarity on how input from different organisations is used.

Geoff Mackey

Thank you very much, the question of prioritisation is one for all of us. Sally has the last word on this question, as possibly a collegiate view from your perspective given you've got company, could we actually just pick this one up as regards engagement?

Sally Jones

Yes, Leo is really keen to ensure that the voice of the cat food sector is heard loud and clear, please forgive me. So from my perspective there are, as the collegiate voice, there are places where engagement is happening really well. I do think engagement with services businesses is decent, I think that the thematic working groups are working pretty well. I'm very unsure about what some of the other groups are for and do. The trade advisory groups and the STAG and the Board of Trade are somewhat opaque to me as to what their forum, why they exist and what output is needed for them.

So really in terms of business and collegiate industrial policy and trade policy it's quite hard to say that it's systematically joined up.

Geoff Mackey

Thanks Sally. Marco.

Marco Forgione

To Sally's point, I think there's a real challenge of that coordination, of the engagement with stakeholders in that you've got different departments asking slightly different questions on the same theme going out at the same time and even within departments, departments asking repeatedly for feedback and input which is challenging for businesses, particularly to get their MSME's engaged with and you end up with a disconnect and the businesses not engaging with the process fully, because of that lack of coordination across the piece. Certainly, one of the challenges we've had being asked repeatedly by different areas of Government for input and insight on the same subject but slightly different angles and it I think leads either to disengagement from business or a contradictory piece of evidence being given in for Government to try and draw its conclusions.

Geoff Mackey

Thank you very much, I think in conclusion from my perspective what I've heard is that for those of us who are old fashioned the report says 'can do better'. Back to you Chair.

Hilary Benn MP

Thank you very much indeed Geoff. Our next questioner is Claire Hanna, Claire, over to you.

Claire Hanna

Thank you very much Chair and apologies for being trigger happy earlier, I'm so keen to get in and discuss it. I wanted to ask about whether or not the panel think that trade with the EU should be handled in the same space and in the same methods as trade with other nations and does the framework that the Government use for trade deals pay sufficient attention to gravity and proximity in trade. I'll start with you Sally, I'm not just biased working with my name but cats as well.

Sally Jones

So the short answer is yes, EU trade and Rest of World trade should absolutely be handled together in the same department, which of course is likely to happen post the machinery of Government changes announced on the 7th of February. But there's no difference now from a conceptual technical perspective and they need to be joined up. Does the Government pay sufficient attention to gravity and trade, I suspect that the priorities to date have been more politically and practically driven than from a gravity perspective would be the best answer and more attention could be paid to gravity in that regard?

Claire Hanna

Michael, I see you have your hand up there.

Michael Gasiorek

Thank you, yes. Fairly briefly on this, the answer to the first part of the question is unambiguously yes, there's absolutely no reason for this to be separated and as Sally has said it looks like that's the direction, we're moving in. You know, to date I think trade policy making has been somewhat disjointed across different Government departments, let alone you know in terms of its coherence with industrial strategy and therefore I think from that perspective potentially what was announced this week is probably a good idea. With regard to the question about gravity, on a technical level are Government officials aware of the role of gravity and trade and do they take it into account in the work that they do in the empirical work that they do, yes absolutely, they're very well aware of it. But I think the question is probably asking something that's broader than that which is does the Government at a higher sort of more political level recognise that trade is largely a function of the size of the partner you're trading with and the distance from that partner, and given the lack of emphasis on trying to improve relations with the EU, which is after all our closest and biggest trading partner, it's hard not to conclude that they probably do not pay enough attention to gravity.

Claire Hanna

OK, thank you very much. Mustafa, did you want to come in there?

Mustafa Qadri

It's not really an area of my expertise, so no. Thank you for asking though.

Claire Hanna

Clair?

Clair Gammage

Sure, my personal view aligns with that of Michael. I think that they have not taken into account sufficiently the nature of the relationship with the EU. I think that perhaps the politicised nature of exiting the EU has perhaps clouded the fact that the EU is still our major trading partner and we are still deeply embedded within global value chains within that space and there's nothing to be ashamed of in saying that, and actually what we need to be doing I think is looking to strengthen that relationship, to unashamedly saying do you know what, this is our biggest trading partner, we may not be part of the EU anymore but that doesn't mean that we're not important to the EU and the EU is important to us. So I think going forward what would be good to see is a refreshed and renewed commitment to trying to resolve some of the challenges that have existed around that Northern Ireland Protocol, to being able to see the business trends, business being made easier for those companies to get their goods in and out, for services to move more freely within those spaces. Notwithstanding that very challenging question of Northern Ireland that still hangs over us and how we treat that particular space. But I do think that within this what we've seen is that trade

fluctuation with the EU hasn't been that significant which means that actually it's still really important to us and we need to start nurturing those relationships a bit more.

Claire Hanna

Consensus around the same principles and approach but calibrated slightly differently. Marco, did you want to come in on that as well?

Marco Forgione

Yes and if you look at the trade flow, the trade flows from the EU into the UK although down haven't been hit as hard as the exports from the UK into the EU, and part of that is because we haven't fully implemented the requirements of the agreement and I think there are significant challenges that the UK will face and businesses will face as and when those rules and regulations are fully implemented. So, I think there's an awful lot that needs to be done at pace to ease and smooth the relationship with the EU because we are fundamentally integrated with regards to our supply chains and our value chains and that isn't going to change in the short-term. So, I think there needs to be a prioritisation of the EU. But absolutely echoing Sally's point, the EU and Rest of World has to be treated in the one space with the one overview and approach because otherwise we'll get even greater confusion and potential for a lack of comprehensive, coherent strategy.

Claire Hanna

Thank you very much, Elitsa did you want to have a final word there before I hand back to the Chair?

Elitsa Garnizova

I second what Marco said, especially in view of the potential modification and monitoring also of the TCA, so we know that 2025 is possibly the first date when we are going to be discussing the TCA more actively in terms of what are going to be the priority areas for both sides, so the machinery across Government of different topics which will be covered in this TCA modification has to work jointly, so there has to be coherence and there should be also, I think we mentioned an agreement across also Government but more broadly on which areas are important for the UK for regulatory autonomy purposes and which ones it could stay aligned with broadly with what the EU has been doing and this has to be dealt with within the same space, within the same department. And predominantly as somebody mentioned CBAM [ph 1:28:05.5] earlier, so these are all issues where we have to sort of exactly balance between autonomy and some sort of broader realisation of where we want to stay closer when it comes to geography and regulation.

Claire Hannah

Thank you very much, that's all really interesting and I'll hand back to you please Chair.

Hilary Benn MP

Claire, thank you very much indeed. The next question is coming from Tamara Cincik, Tamara the floor is yours.

Tamara Cincik

Thank you Chair. So, my question is, is the UK doing enough for developing countries in its trade policy, in particular is there a risk of preference erosion from deals with major agricultural economies? Mustafa if I could start with you, please?

Mustafa Qadri

Sure, thanks Tamara. So we don't obviously cover the details of the broader aspects of the trade relations, but the broad point that I will say is as I said earlier, there is seeming to be an erosion of the prioritisation of human rights and labour rights in the trade negotiations which does have a flow on effect in terms of support for these developing economies, because that actually is an area where there is both potential line up between the trade relations and of course respecting human rights and labour rights. The obvious point is that so much of our supply chains, you know we can think about particularly things like agriculture, but even if we think of the service sector, we think about the apps that we use at the moment, any kind of digital support that we might get, so much of that is outsourced to these countries. A lot of our work at the moment that we're doing is around gendered harm, around workplace issues that people are facing and so there is a real opportunity there. I don't want to answer the question as saying no it's not doing enough or yes it is, obviously it's not binary. I know the question is more nuanced than that, but again not to avoid the real challenges that we're seeing there, but again to frame it in a positive way in terms of opportunity it is to say that it is where the UK can use its leverage, there's a value that can be gained from doing that, but certainly I think so far it has been, you know certainly in the areas that we look at, we do a lot of work in South Asia, South-East Asia, in East and South Africa, those regions of the World, looking back at obviously large corporations in the UK and in the Global North and it has been fairly disappointing to see the correlation between the kinds of impacts that you're seeing and the nature of these trade negotiations, the things that are focused on.

Tamara Cincik

So arguably there's been a sense of trade at any cost, is that your concern?

Mustafa Qadri

So, I'd say absolutely. This idea that you know look we have to be making sure that we reach these agreements that there is economic imperative measured in a very short-term but absolute way. But also this common issue of seeing a human rights and labour rights measure as being the luxury, the cherry on top. The number one being integral, but also that you can actually integrate that and if that sounds like it's very academic, if you talk to British investors, if you talk to the biggest companies in the United Kingdom those are conversations that they're talking about, these are FTSE500 companies that often we're in touch with them because a lot of our work is supply chain investigations, so it's about the evidence base that we gather, and often they are ahead of the curve. Now, that's not unusual, that's not just the UK, that's in lots of countries and it's not surprising, obviously the world has changed, often business is leading in some aspects of human rights and labour rights, but absolutely I think you're right.

Tamara Cincik

That nuance of ESG targets being an expectation of investors and that perhaps being something that needs to be forefront in trade deals is very pertinent, thank you Mustafa. Clair if I could ask the same question to you as well please?

Clair Gammage

Sure, so just to move outside of the FTA context I suppose because Mustafa has answered quite a lot on that already, in terms of the other way that the UK engages with developing countries is through its developing country trading scheme and we're waiting for the text of that which I understand will be published later this month, if it's on time. But the DCTS has gone a long way to revising some of the challenges I suppose that are associated with the EU's generalised system of preferences and it will be interesting to see once it's actually properly implemented whether it yields the benefits that we hope that it will. And I think the relaxation of the vulnerability criteria for example is a positive step forward, there is that question around whether removing that requirement to sign and ratify and implement the conventions is a good or a bad thing, but it does mean that that focus on export diversification perhaps brings more countries within the scope of that preference level, which is a positive thing. And of course it reserves the rights to use sanctions where appropriate.

So I think the DCTS seems like an interesting revision to what had existed beforehand and I will certainly be watching that one very closely to see whether it does yield those positive outcomes that we hope that it will. The other way that the UK is I think, and has been leading in terms of supporting developing countries, is around aid for trade and we see a significant financial flow coming out, either through pure Government funding or through blended finance through BII, through British Investment Partnerships and I think that we shouldn't diminish the significance of those projects, they are projects, they're programmes that are operating within very specific context, but they can be very meaningful to the communities in those developing countries that are receiving the financial support to build capacity and to enable them to integrate that particular part of the supply chain or that particular sector within to another supply chain.

So I think there is a lot being done, but I would hesitate to say that I think the UK is not able to do more in its work with developing countries, I think there is a lot more that can be done, as I've mentioned earlier so I won't restate that, around what it could do in the context of FTAs. I think the FTAs fall short on what the UK should be doing with developing countries. What we do know is ... just to add in terms of what we do know from the enabling clause from the time that it was introduced in the late 70s at the WTO to now, not many of those countries have integrated into the global economy. So we know that the models that have existed for a long time have not really worked very well.

Tamara Cincik

Thank you Clair, I can see two hands up but I just wanted to ask this of Elitsa before I go to the two hands that I can see up.

Elitsa Garnizova

Great, thank you so much Tamara. So, for me, just briefly, two things would be really important here. One is we know the key issue with the existing relationship between while we were part of the European Union in terms of the economic partnership agreements, we know extensively of their drawbacks and particularly in terms of defragmentation and the approach that it had towards the continent and I think that one of the main things that will be important is to see whether the policies

that will be taken over the next years will try to move away from such an approach which focuses on fragmentation which for me will be one of the things to look at. And then the second thing is also on the multilateral level, so I think that's a little bit with the current global context with the US going and doing its own thing, with the UN going and doing its own thing, there is a little bit of fear that developing countries will be slightly left out in the climate transformation with all of the activities and all of the investment that has to take place in order for developing countries to take part in this transformation. And I think that what the UK has done really well and that links to Clair's point is to be a really good champion at the multilateral level, at the engagement of developing countries and bringing together agreement on some of the issues that are particularly important to them. So subsidies, fisheries, rules around the digital that could really help some of the aspiring some of the innovation and also some of the engagement of countries, developing countries in global value chains which we know is still lacking. So these are all things which are our priority for the UK Government already and they're also very important for developing countries, so there is a natural symphony there for them to come closer together and for the UK to be a really good champion at the multilateral level. And then lastly maybe, I think just to mention the climate friendly incentives that also should be part of any future schemes.

Tamara Cincik

Thank you Elitsa, Marco, I see your hand is up.

Marco Forgione

Thank you, Tamara. I think we need to separate the diplomatic piece where I think the UK does really well in organisation like the WTO and being an advocate for supporting and engaging with the developing world and the DCTS does seem like it's a very positive move particularly for the African nations where [inaudible 1:37:55.3] will enable that intra-African trade to support the trade with the UK. I was at a reception with some of the African High Commissioners yesterday evening and it's clear that although we seem to be getting the diplomatic bit right and some of the process and policy levels right, what we're not doing is actually generating the trade to support that, that goes behind that. So DCTS coming on stream, is there the knowledge and understanding either side of how to exploit the opportunities that exist and generate trade actually happening. Talking to the High Commissioner for Nigeria, he was aghast that they are a nation that sees the UK as their priority trading partner, but the investment and engagement with Nigeria is dropping off a cliff. We've gone from being the largest investor in Nigeria to the fifth behind the Chinese, the Germans and even the Dutch. You know, I think that there has to be a really clear [inaudible 1:39:03.9] of a government approach to engage effectively [inaudible 1:39:09.1] with the developing nations and also supporting countries like Bangladesh, losing its LDC status, what that actually is going to mean, there's a significant challenge for Bangladesh. What is the UK Government doing to help and support that transition? So I think there are some very big questions as to how we leverage, not just our soft power but our practical force and investment capabilities.

Tamara Cincik

Yes, it's about the vision piece I think there, thank you. Michael, you're my last hand up before I go back to the Chair.

Michael Gasiorek

Thank you. Let me focus a little bit on this issue of preference erosion, so preference erosion is typically in the context of tariffs on trading goods and where the UK has given preferences to developing countries and will they get eroded as it signs free trade agreements with other countries. Now by and large UK tariffs are low already across a very wide range of goods, I guess the sectors where we typically think of where tariffs are higher and where preference erosion may be a more important issue are to do with agricultural trade and probably textiles and clothing. Clearly there is some risk that if we sign free trade deals with certain partner countries there might be some degree of preference erosion, I don't know the answer, the extent to which that is the case, but I would make the point that it's something that's eminently calculable, it's not difficult to work out if we sign a free trade agreement which completely liberalises trade for example with India or hypothetically with Brazil or whatever, what that might mean for developing countries. So, it is something that it is not that difficult to try and assess.

There's another aspect to preference erosion and I'm picking up now on the discussion about the DCTS, because the DCTS is changing the relative degree of preferential access between different types of developing countries, the least developed countries and the non-least developed countries to put it fairly simply. So there is a danger here that the DCTS will involve some preference erosion for the least developed countries, in comparison to the previous UK's GSB scheme. Now we have been doing some work on this in fact we'll be shortly publishing something on this, and in fact the evidence suggests there's very little risk of preference erosion from that.

So I think the reforms to the DCTS scheme generally I think are good, it doesn't look like it'll impact very much in terms of preference erosion on least developed countries, two of the reforms are I think a positive feature of the DCTS are the generous cumulation rules and the actual product specific rules of origin that have been introduced in the DCTS are generally less constraining than the preceding rules of origin that were in the GSB scheme and that's a good thing.

That leads me onto my next point which is in the free trade agreements that the UK signs, there is the possibility of agreeing with the partner countries whether diagonal cumulation with developing or least developing countries would be allowed as well and I think it's either the Australia or the New Zealand agreement, I confess I can't remember which one of those, has the possibility of that provision. And I think that's an interesting, it's the first time I've seen that in a free trade agreement and I think that's an interesting and innovative addition to a free trade agreement.

And then my final point is that there's only a limited amount that you can do with preferences, and this goes back to what various of the other contributors have been saying about the need for aid for trade across a whole range of other areas, we spend a lot of time talking about in terms of our own trade policy how well tariffs aren't really the big barriers, it's non-tariff barriers to trade. So this is, and regulatory barriers to trade, so this is where aid for trade policies can potentially at least help developing countries or least developed countries understand what those regulatory barriers are and start to move towards perhaps dealing with those regulatory barriers.

Tamara Cincik

Thank you so much Michael. Over to you Chair.

Hilary Benn MP

Tamara, thank you very much indeed. Just before I turn to Mike Cohen who's going to ask the last question, can I just go back to the point that was raised a little earlier about the fact that the British Government has not yet implemented checks, full checks on goods coming into the UK from the European Union, and I just wondered if any of you had a view on what the balance of argument is

that you think is going on in Government over that, and as and when and if those checks are implemented what impact do you think that might have on the EU's view of the need to improve the trade and cooperation agreement? I don't know if anyone would like to offer a view on that? Crumbs, it's stunned silence. Why does anyone think that the Government has delayed the introduction of those full checks? What's that about? Well, this is most unusual for the UK Trade and Business Commission, I have to tell you. Marco.

Marco Forgione

I think that the challenge is that those are political decisions than a view taken and so it would be difficult to try and second guess the rationale as to why those decisions have been taken and it would be speculation certainly on our part as to what the motivations are, or indeed what the reactions could be as and when those checks are implemented. So, I can understand why there's a slight reticence to ...

Michael Gasiorek

Chair, I don't have a clear answer to your question. My understanding is that it's partly political but partly a question of the physical infrastructure available at the ports, you know simply not yet ready both physically and in terms of possibly even technological infrastructure to deal with those sorts of checks, as well as worrying about the impact on UK businesses or producers I should say, because this is largely to do with agriculture and agri-food products. What I would say and this possibly is different to what Marco said earlier and I'd be very interested following up with Marco if I misunderstood you, but from the work that we have done on UK trade flows with the EU in goods, what appears to be fairly unambiguously the case is that in most sectors UK exports to the EU, relative to the non-EU, have by and large recovered. There's no particular evidence that UK is doing worse in exporting to the EU relative to the non-EU. It is true that in aggregate UK exports are lower than comparator countries, if you look at the work of John Springfield and so on, but if you're comparing what's happened to the EU versus non-EU there are some sectors that were very badly hit, leather, footwear, textiles and a bit of agri-food, but in aggregate UK exports have by and large recovered. That's not true of imports. Imports of goods and services are of the order of 20% down from the EU in comparison to non-EU countries. That's quite surprising especially given that the Government hasn't introduced some of these checks that we've just been talking about, it's not quite what one would expect. But that's what the evidence, while we're trying to control for everything that we possibly can including Covid and so on, appears to be showing.

Hilary Benn MP

That is very, very interesting, well we will no doubt return to this. So I'm now going to move to Mike Cohen to ask the final question of all of you, Mike over to you.

Mike Cohen

Thank you, so the final question inevitably I'm going to be asking for something of a summary I suppose, we're looking at the frameworks within which trade deals happen today, so thinking very broadly about what we want to achieve from trade deals and how they should be conducted, I'd like to ask for three policy recommendations to Government that you would make had you the chance. It

would be lovely to hear from everybody if we have the time on that, but perhaps Clair could start us off and then we'll see who fancies putting a hand up.

Clair Gammage

Sure, thank you very much, I'll try and keep it brief so that everyone's got an opportunity to speak. My first policy recommendation goes back to one of the first things I said in terms of I think that the UK needs to decide what its trade policy actually is, what is this policy going to be and that's not just about the economic side of that, what values does the UK want to embed, or have as part of its trade strategy and actually if it turns around a says we don't want any values at all then so be it, but there needs to be some kind of decisive and conclusive step towards what is the UK trade strategy. So that's my first one.

The second one would be that I think there needs to be a deeper exploration into how we make those linkages between the external trade policy and the internal industrial policy. How do those two connect, how do they feed into one another and how do they relate to one another.

My third and final plea to the Government would be not to abandon a rights based approach to trade policy and it would be to say please carefully re-examine this step back from that, yes there is this question mark around whether it's the right policy framework to be using, but to look at the ways in which rights could be promoted through the external and internal dimensions of trade policy, so I'll leave it there for others to speak.

Mike Cohen

Thank you very much, I don't see any hands but I'm sure somebody would like to make some recommendations, Michael can I go to you and then I've got Mustafa then Sally.

Michael Gasiorek

This is a tough question, if you ask me tomorrow, I might give you a different set of three things, but let me go with what I have for today. I very much agree with what Clair said about a need to clearly articulate a trade strategy and then link it to a domestic strategy and domestic industrial strategy. One of the big challenges facing the UK economy is a lack of productivity and productivity growth, we need a strategy that addresses that and we need a strategy in trade that helps to address that. In particular given the challenges that we mentioned earlier going on in terms of increasing intervention by other countries in trade policy. To my mind that means a much more focused policy on specific areas and sectors, you know we're not going to become a major battery producer, a major semi-conductor chip producer, this involves niche specialisation and thinking about the policies that will support niche specialisation. Related to that and this is actually related I realise to the point I made two minutes ago in response to the earlier question, increasingly the key barriers to trade are not about tariffs but about regulatory barriers, so the Government needs to think carefully about what are the key regulatory barriers in the sectors that it is interested in, be this manufacturing or services, and how best to use free trade agreements to ease and facilitate those trade barriers.

My third recommendation is focusing on a much broader issue that I think the UK economy and the World economy faces which is that of climate change and I think the UK needs to think very, very hard about what is its policy, international policy, toward climate change to CBAMs and so on and how it can support a transition to a low carbon economy. I would put that as probably the top priority and I know I'm not allowed a fourth, but the fourth is we need certainty, we don't need

instability, that's what impacts negatively on investments and so on, so all this constant change of policy, for example things like the retained EU law bill, is all leading to uncertainty which is not good for UK trade and investment.

Mike Cohen

Thank you very much, I had Mustafa's hand next.

Mustafa Qadri

Thanks Mike, just three points very, very quickly, recognising these things are complex as Michael has mentioned, but firstly these agreements should contain enforceable human rights protections, they must be based on independent human rights and environmental risk assessments and ongoing due diligence mechanisms. You have the UN guiding principles on business and human rights, standards that businesses are already applying, so you know we're not talking about reinventing things.

And then finally something others touched on as well is setting up enforcement mechanisms on labour rights, human rights, and environmental issues in all future UK trade deals. [Inaudible 1:52:49.1] talked about earlier that no they're not a panacea these trade agreements, even if they integrate human rights, labour rights into them, but they're an opening point and it's an ongoing matter to be monitoring respect for that. It's an important leverage point and there are benefits to respecting human rights and labour rights even from a trade perspective I'd argue.

Mike Cohen

Thank you very much, could I go to Sally next please?

Sally Jones

Yes and it's not so much a policy recommendation because I agree with everybody else's recommendations so far, it's more of a plea which is to focus on the practical and if I were to break that down into three areas it would be that the hard technical grind of implementation is so important and mustn't be overlooked. It would be a plea to stop the EU retained law bill and certainly its 31 December 2023 deadline, because the risk of disruption to business from unintended consequences is absolutely vast. And then the third would be to publish the CBAM and semi-conductor strategies which are two areas of policy that are critically important to British business.

Mike Cohen

Thank you very much, Elitsa please.

Elitsa Garnizova

I can very clearly follow up from Sally's point because this is exactly what I wanted to focus on as well so the linkages to other policy areas, particularly the two that I have mentioned before, so national security and economic coercion more broadly, but also the climate transformation, so exactly those

two policies that Sally mentioned are definitely a priority. And I also put equally with that of course inclusive trade policy that both Mustafa and Clair mentioned in terms of both women-centred but also diversity-centred in terms of making sure that we cover all of those rights that we find important. And finally I would say even though it is [inaudible 1:54:53.7] FTAs, let's not forget that we can still try to bring some impetus on the most lateral level and trying to make sure that things that we do in our unilateral and bilateral engagement doesn't in some ways hurt that. So, these are my three.

Mike Cohen

Thank you very much and we'll go to Marco to have the last word.

Marco Forgione

So in summary I suppose the key points that have been made so I won't focus on policy more on attitude and approach and I think the Government needs to have a long-term view of what the approach to trade is going to be, that's imports, exports and our global role and that we need to put at leverage our soft power but show commitment as well. I think that there is a significant issue around UK skills and I'm talking not just about productivity skills but actually around business leaders seeing international trade as just a part of doing business, rather than a challenging difficulty that they will get to. So I think we need to look at how we are developing the next generation of business leaders who see themselves as having a role to play internationally and the third point I'd make is a plea to ensure that with regards to any policy that's being considered by UK Government that impact trade, that there is a full comprehensive engagement on both a regional, devolved nations and business and civil society level to ensure that what is being proposed is going to have the impact that we hope and expect and we avoid the sometimes lack of understanding for realisation of what the rules and regulations really are.

Mike Cohen

Thank you very much and I'll hand back to the Chair.

Hilary Benn MP

Well Mike, thank you very much indeed. Look, on behalf of all of the Commissioners and everybody watching, can I thank our witnesses today, I think that's been absolutely a cracking session and we've finished almost exactly on time, so thank you for making that possible. And we shall be reflecting on what you've had to say today and other evidence sessions we shall be holding in drawing up further recommendations for the Commission as to what the UK can do better to improve our trade and economic growth and help the country in general. But thank you so much for joining us today and with that I declare this evidence session finished. Thanks, bye.

