

UK Trade & Business Commission

Environmental and Standards Protections – Plans for Future Trade Deals

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Alison Williams

Good morning, welcome to the UK Trade and Business Commission. My name is Alison Williams, I'm going to be chairing the two sessions that we have today. We've got two evidence sessions, first one running now till 11 on the environment and the second session will start at 11 till 12 on standards and protections. So, we have three experts joining us for the first session and I'd like to invite them to introduce themselves. Can we start with Dr Stefania Lovo, hopefully I've pronounced your name right?

Dr. Stefania Lovo

Yes, perfect. Thank you very much for having me here as I'm Stefania Lovo and I'm Associate Professor in Economics at the University of Reading and have been relevant for this talk I've been involved in values assessment of environmental assessment of free trade agreements for the EU. Thank you very much.

Alison Williams

Thank you, thanks for joining. And can we go to Paul Ekins please?

Prof. Paul Ekins

Yes, good morning. So, I'm Paul Ekins, I'm Professor of Resources and Environmental Policy at UCL, I'm an environmental economist, was Co-Director of the UK Energy Research Centre for 14 or 15 years and do work across the whole range of resources in respect of sustainable development.

Alison Williams

Thank you, welcome. And Jonny Peters please.

Jonny Peters

Yes, thanks so much for having me. So I'm Jonny Peters, I'm a Senior Policy Advisor covering trade at the Climate Change Think Tank, E3G and it's a pleasure to be here, thank you.

Alison Williams

Great, thank you, welcome to you all. So I will kick off with the first question. What is the UK Government doing to address the climate emergency in relation to trade? And are the plan sufficient in your opinion? So can we start, we'll go in the same order so Dr Stefania please.

Dr. Stefania Lovo

Sorry if I can skip this question and focus on the other ones, I think my knowledge is much more broader rather than specific to the UK so I rather want to listen on this case, thank you.

Alison Williams

No problem, who would like to jump in then, Paul? You're on mute.

Prof. Paul Ekins

Yes, thanks very much. Yeah, so there are three critical areas with regard to trade and climate, the first is carbon intensive goods and services, what's the UK Government doing there? Well we have a consultation out to have some carbon border adjustment mechanism similar to that in the EU and I dare say that will come up in the conversation later. The second is agriculture which is absolutely critical because we need to transform our agriculture and obviously agriculture is very heavily traded and has been both the subject of Government promises that have been broken recently and has also been the subject of the trade agreements that have been set up since the UK left the EU and are also part of the upcoming trade negotiations with other countries, including Mexico. So that's an absolutely critical area which again I'm sure will come up, and so far we've not seen very much if anything on climate action with relation to agriculture and trade. The third area that I'm quite heavily involved in is critical minerals, these are essential for clean energy technologies, as far as the UK is concerned they're almost all imported either directly or in the technologies that they're crucial for, wind turbines, photovoltaic panels, electric batteries, etc. And again, there's very little beyond a critical minerals expert advisory group that I'm a member of and have recently launched critical mineral strategy which hasn't got a lot to say about trade.

Alison Williams

OK, thank you. Jonny?

Jonny Peters

Yes sure, thank you, so to kind of answer the first part on I guess what has the Government done to date, sort of primarily the Government has prioritised trade openness in its approach to trade and climate so we've seen that in a few different ways. Early on we saw that in the UK's unilateral reduction of tariffs for environmental goods and services, through the kind of UK's global tariff back in 2020 and kind of since then the UK Government has been progressing a whole range of free trade agreements, I'm sure you're all aware of, but within a lot of those there's been a lot of, again the prioritisation of the liberalisation of environmental goods and services in those recent FTAs, so New Zealand is a really good example of that. And to an extent I think the Government has taken this trade openness approach about as far as it can go, there's a few areas that the Government could still consider, for instance whether it wants to sign up to the New Zealand led agreement on climate change trade and sustainability, the ACTS [ph 0:05:06.5] agreement as it's known, that's the one area

of trade openness that it still could considering exploring, but beyond that kind of vain I think it's worth pointing out that obviously there's a lot more to the trade and climate puzzle than just openness. Other important things include trade offences, so Paul has already just talked about CBAMs [ph 0:05:24.4] in this context, but standards are incredibly important as well so we've got mandatory product standards for industrial products but also consideration of core environmental standards for food and agriculture and as well beyond this I think we need to prioritise to a much greater extent the cooperation with other countries outside of FTAs as well. There's been such a focus on FTAs at the moment but a real neglect of key trading partners, obviously including the EU but also the US as well in that kind of context. So we'll get a chance to talk about a lot more of that stuff through the rest of the session but that's my kind of scene-setter for today.

Alison Williams

Thank you, that's great. I will hand over to Geoff Mackey now for the next question.

Geoff Mackey

Thank you very much Chair. Just to continue down the path we've now started on Jonny, you've talked about climate goals, what would you suggest the UK Government does to ensure these goals are built properly into the trade policy development that's ongoing?

Jonny Peters

Sure, if I can pick on that directly if that's OK, sorry are we going in the same order, apologies. So I mean first off, I mean trade deals with the right safeguards can help the UK achieve its climate goals, so trade brings down costs, it can help the faster diffusion of clean technologies through the economy and so on, but of course trade deals can also undermine the UK's climate goals if the right safeguards aren't included. So if I can take one really clear example that's in the front of my mind at the moment is the UK's planned trade agreement with the Gulf Cooperation Council, I mean obviously the Gulf deal has huge potential to undermine the UK's own net zero target because it's kind of thinking about prioritising an FTA with a group of countries that don't even have net zero targets themselves. For context the Gulf countries subsidise fossil fuels far more than the rest of the World, more so than China and Russia combined as a percentage of firm's energy costs, that's according to the OECD, so according to the Government's own impact assessment for the Gulf trade deal, this exposes the UK to significant carbon leakage risks, that's the potential for industrial activity to relocate from the UK to less climate ambitious countries due to that kind of differential between their levels of climate ambition.

So if I go back to the high level point that I'm trying to make here, from the outset it's quite clear that the Government has kind of capitulated on some of these very basic standards when it comes to the Paris Agreement, a shared commitment to net zero in the FTA, these things are really, really basic but they're not just kind of text in an FTA, they're an important piece of political signalling about the kind of common sense of direction, economic direction that countries are going in. So yeah, to answer your question, they can be positive but of course you need to build in the right safeguards and beyond just the kind of Paris Agreement and net zero kind of commitment up top, FTAs should really be doing a lot more to implement those kind of commitments as well.

Geoff Mackey

Jonny, just to stay with you for a second if I could? I mean, you've talked about a couple of the high level conversations regarding trade agreements, are there any policies beyond trade agreements that should be used to enforce climate commitments? You know what can work for the UK on this one?

Jonny Peters

Yeah, exactly, so that was again sort of I was talking about the trade openness side of things but there's so much more as I said before on trade defences, so carbon border adjustments, for instance we were just talking about the carbon leakage risk there with the kind of Gulf trade deal, if the UK had a carbon border adjustment that could remedy some of those risks that the UK had. So there's some of that side that can be done on the trade defences side of things. There's a lot more than can be done, I said before, on standards as well. So a carbon border adjustment does its best to kind of level the playing field at the border, but if you want to go further and actually talk about creating new markets, market creation for things like green steel, you know less carbon intensive cement and so on, we need to be setting the standards of what those green products look like and that's a very important part of our approach to trade as well. Equally that applies to food and agriculture, I mentioned core environmental standards, that kind of has a non-regression side to it as well in terms of like maintaining our high standards for food and agriculture in the UK when we're approaching trade deals with other countries. This has come up in lots of other contexts but of course we've talked about this in the context of CPTPP and Australia and lots of other places where there's a real risk of the UK's standards in that area being undercut.

One last thing the UK could consider the EU is doing, is due diligence requirements for deforestation, so the EU has got a proposal out essentially to tackle deforestation in its overseas supply chains, that's something that the UK could really consider doing. The UK kind of has some of this already, but it's mainly tackling illegal deforestation rather than all deforestation, so that's another thing the UK could do in a unilateral sense to kind of safeguard a lot of what it's doing elsewhere in its programme of FTAs.

Geoff Mackey

Fabulous, that's really helpful, thank you. Paul just picking up again on the UK Government and incorporating climate goals into trade policy please?

Prof. Paul Ekins

Well I'd like to go into a bit more detail on the CBAM, the carbon border adjustment mechanism, it won't missed anybody that when Stone [ph 0:10:42.7] review was published in 2007 Lord Stone called it the greatest market failure we've ever seen, well the standard economic response to that is a carbon price and we are beginning to see that now, I mean it's taken us over 30 years to get there but we're beginning to see a decent carbon price in both the EU and the UK. But that will create absolute havoc with carbon intensive industries, exports and imports unless we do get a carbon border adjustment mechanism and it opens up the opportunity of another idea which is a carbon club of countries that are pricing carbon sensibly and at the level that needs to be priced for net zero, whereby we get a different kind of free trade agreement, one that is properly based on a carbon level playing field, are those countries that do price carbon properly. I don't think it is yet generally appreciated that pretty well the whole achievement of the climate accord in Paris depends on China not expanding its coal use further, it is expanding its coal use enormously at the moment and that's mainly produced exports for goods and services, and they will undercut the trade of countries that have targets that they want to meet, unless we have that carbon border adjustment mechanism, so

it really is hugely important that we get that in place because the first thing China would do if we put a carbon border adjustment mechanism in place along with the EU is price carbon itself, because it would much rather charge a carbon tax which it keeps the revenues in China rather than have the price levied at the EU border, when obviously the money would go to the EU. So that is going to be a more potent mechanism for getting global carbon pricing which absolutely we need than any other I can think of.

Geoff Mackey

Thanks very much Paul. Stefania can we just pick up the wider conversation about policies that could be used to promote climate commitments, any comments?

Dr. Stefania Lovo

Yes, if I may also add something to the discussion that has happened along free trade agreements, I think I also want to bring a more optimistic view, you know, when it comes to trade and climate change I think what happens in terms of imports is actually more important than export, as exports are actually under subject to net zero policy, so I think the free trade agreements actually offer the opportunity to influence what happens in other countries. So it is really an opportunity to have a say on other countries, so I think this can be done by having appropriate climate change provisions in free trade agreements, but also to maintain a very consistent role in international negotiations, so really giving the signals what was also said before. And this can be done if there is a process in place to assess free trade agreements in support of negotiations, otherwise there is no way to have evidence to make cases and I think more important also a process of assessing exports to the trade agreements, making sure that the provisions have been enforced and this is something where the UK can do better than the EU by having a proper mechanism to assess whether a provision has been enforced and even perhaps introduce sanctions. So I think there is a scope there to really have a say about what happens in other countries and of course recognising that there might be slightly weaker negotiating positions as the UK negotiates alone, really having this process in place to support the negotiation is crucial.

Thinking about other policy in general I think the UK should assist low income countries and support their transition to lower carbon economy. I think the UK has a moral duty to do so and you know to support low income countries in the spirit of the principal of common and differentiated responsibility that is in the Paris Agreement.

Geoff Mackey

Thank you very much. Optimistic to finish, Chair back to you please.

Alison Williams

Thank you. I'll hand over to Caroline Lucas please.

Caroline Lucas MP

Thank you Chair, yes I wanted to pick up the issue of standards which I think Jonny you've touched on already just briefly and I wanted to ask you what impact you think that regulatory divergence from

the EU on climate and nature policy could have on the UK and what effect it could also have on the UK's cooperation with the EU and on future trade deals. That's to Jonny first, thanks.

Jonny Peters

Thanks so much. Yes so I think on cooperation with the EU I think sort of back to first principles on some of this stuff, the UK and the EU's commitments to net zero feature up top in the level playing field chapter of the UK-EU TCA, trade and cooperation agreement, and this kind of acts actually basically top line in a way as a kind of area of non-regression, so we can kind of think about the kind of net zero by 2050 commitments on both sides as being an area that's kind of baked in to the substance of the trade deal overall. So we kind of enter into huge problems if for instance if one side wanted to start renegeing on its net zero commitments in a substantial way that kind of jeopardises the entire deal to a point, so there's that baked in as a kind of area of non-regression but in practice what's really interesting is that the UK and EU are actually still doing again at a sort of medium to high level much the same thing. So, if we take a look at for instance our 2030 climate targets, the UK is 68% reduction target by 2030, is the equivalent of what its effort share would have been as an EU member state of the at least 55% 2030 target that the EU has. So and even actually on some of the implementing targets, if you look for instance of our phase updates for petrol and diesel vehicles, by 2035 those are identical as well, and there's a few other areas as well where I think we can point to the UK and EU basically pushing in the same direction anyway.

There's some differences of course like EU and the member states have thrown a lot more money into green hydrogen for instance, whereas the UK has gone down more of a CCS route and I think that's kind of got to do with areas of comparative advantage I think that different sides have, but overall the kind of high level targets are still the same. So in practice therefore if we're wanting to do much the same thing why not just accept this, and actually ...

Caroline Lucas MP

There's no guarantee that that's going to continue is there and there's a difference between non-regression, i.e. going backwards and not keeping up, and I was just struck just this week we've had the IPCC and the UN Secretary General saying you know why don't richer countries bring forward 2050 to 2040, I mean if the EU were to go faster for example on that and we weren't, I'm not suggesting that's necessarily likely but as an example, you know what would the implications be for that?

Jonny Peters

Yeah definitely, I think most of all I think what's missing is a lot of untapped potential in the UK/EU relationship, so there's areas that are listed already in the TCA including North Sea energy cooperation, so for instance offshore wind grid planning in the North Sea together, there's huge untapped potential there, freeing up the electricity trading arrangements between the UK and EU, this is costing the UK a significant amount of money at the moment that we're trading on really inflexible terms with the EU and one last thing I think I'd point to you is cooperation on carbon pricing, so the potential for the UK and the EU to link their emissions trading systems. This again I think will smooth over essentially a lot of potential non-tariff barriers, particularly when the EU is thinking about phasing in its CBAM and I think we'll come onto some of this stuff in a bit, but I think this will help the UK to fulfil its targets, it will help the EU to fulfil its climate targets as well, so if

we're trying to push in the same direction why not just accept that there's things we can do together to help us get there?

Caroline Lucas MP

Thanks. I was going to come to Paul next and perhaps in particular just ask you as well whether you think a REUL bill, you know the revocation of EU law bill, do you think the purpose of that in some sense is precisely to bake in divergence, from some people, it was obviously a brainchild of Jacob Rees-Mogg, it feels such a bizarre policy from any other reason that because what it's actually designed to do is to bake in divergence so that it would be much harder then to come back together.

Prof. Paul Ekins

Yes, I think that's probably its purpose, I think its purpose is to make any further alignment more difficult. We know that the Labour Party is basically favourable to further alignment and I think this is a wrecking bill really, it has no economic merit at all, in fact it will lead to absolute chaos across several departments, especially the one that I'm closest to, DEFRA, which has so many environmental regulations. Our environment is already going backwards in several very important respects and it's perfectly clear from the first report of the Office for Environmental Protection that we're nowhere near on track even to reach the targets that we put in Statute on the environment. So, in every respect I think this is a most regressive bill and I very much welcome that there's significant Parliamentary opposition to it. And I very much hope that it will not in fact become Statute because I think we'll be spending most of the next five years trying to sort out the mess, instead of taking the UK forward into a much more environmentally positive stance, particularly of course in respect of climate but also within respect of the other environmental dimensions which are very closely linked to it. And so yeah, I mean I think that would be my number one target for what not to do, if I had the choice.

Caroline Lucas MP

Thank you very much. And coming now to Stefania, your reflections on the issues of regulatory divergence and the impact.

Dr. Stefania Lovo

Thank you, so here I think I have instead not a very optimistic view, I think you know divergence can pose a risk for the UK and you know perhaps on two fronts, so I think there is a moderate risk of carbon leakage in case of divergence, I think I'm just repeating what you also said about what we know about carbon leakage is all about the past when carbon prices were low, but now that we are facing higher carbon prices and we expect those to be higher in the future, then I think what we saw in the past might not still be the case and there might actually be a really serious risk of carbon leakage if the two parties are not aligned. And so also senior thinking about changing conditions, usually good economic and institutional conditions can compensate for the cost of climate policy, but the economic conditions in the UK may not necessarily be that favourable now compared to other countries, because of the higher trade costs that have been introduced. And so you know basically UK firms will face increased costs due to climate change policy and reduced competitiveness due to these trade costs, so you know they can be vulnerable to climate change. So really this is a real risk if the regulations diverge.

And the second point is about exports, so future divergence will make it more difficult for businesses to sell to the EU market, including selling green technology, green environmental services and goods and this will mean that it will diminish the return to investing in these green technologies just because there's not such a huge export market. And you know we know export is a driver of innovation, so you know ensuring that this is happening is important. So that is why I think divergence poses a risk.

Caroline Lucas MP

Thank you very much, back to you Chair.

Alison Williams

Thank you, over to Alan Winters please.

Alan Winters

Yes, thank you very much and hello to the evidence givers. I want to ask about the EU's CBAM, let's assume that it's all going to go ahead as planned, should the UK seek to align with it and if it doesn't what are the consequences? And can you suggest any alternative policies how the UK might live with CBAM without such an alignment. Why don't we start with you Paul?

Prof. Paul Ekins

Yes, thanks Alan. Well, it seems to me that picking up on what Stefania was saying is that we do notionally are coming into an era of higher carbon prices in the European Union and the UK. At the moment of course the energy intensive industries are not by and large paying those high carbon prices because they get their allowances given to them and of course if they then make energy efficiency improvements they're able to sell those allowances, so actually it's a form of industrial support under the current allowance system. Now I don't see there's much chance of decarbonising our energy intensive industries unless they start facing a carbon price, but as soon as they start facing a realistic carbon price then obviously the heavily traded energy intensive goods, steel, chemicals, ceramics, will be undercut by imports, that will follow as sure as night follows day. So that's the rationale for the CBAM and I think it would be insane frankly for the UK not to follow suit with the, if the EU went ahead as it seems to intend to do. We're a very small market, we do still have important industries that would be negatively affected by a carbon price, does the UK want to maintain a steel industry, are we going to get the investment to turn our blast furnace steel into largely electric arc furnace steel, I don't believe that is remotely likely if we were not to align with something like the carbon border adjustment mechanism and I think that whole story of investment, it's supremely ironic where we have important member of the Conservative Party now producing what in my view is an excellent review of net zero policy, so the Skidmore Review, absolutely emphasising the importance of these industries for the future and the need to get investment into the UK in order to develop a domestic capacity in that area. That isn't going to happen if the industries don't realise that actually the Government is serious about pricing carbon.

So you'll have gathered that while instinctively I lean towards a kind of free trade position because of all the arguments that some of the others have made, on this particular issue with the need for

decarbonisation and the need for carbon pricing across energy intensive industries, I think something like the CBAM is going to be essential. I think the EU will bring it in and I think the UK will be insane not to follow suit.

Alan Winters

[Inaudible 0:10:42.7]

Jonny Peters

Sure thanks, Stefania jump in if you want to come in instead.

Dr. Stefania Lovo

Well, you go ahead and see if I can ...

Jonny Peters

Sure, you're being so polite. Yes, sure I mean I can agree with a lot of what Paul said, I think the UK should adopt a CBAM, I actually recently published something basically setting out the main reasons why I think a UK CBAM will end up looking quite a lot like the EU CBAM for some very practical reasons and design based reasons and so on, but I'm happy to share that with the Commission if you think that would be useful. So already I think we're kind of naturally going to move in similar directions in this space, but I think there are two main reasons why the UK should adopt a CBAM, the first as kind of already been suggested is to mitigate potential carbon leakage, help British industry to decarbonise, remain competitive, particularly actually in this era now where we have a race to develop clean technologies and it's as we've noted already it's an increasingly competitive area following the US inflation reduction act and the EU's green deal as well.

But secondly there's also another important consideration which is as the EU phases in its CBAM from October this year, this will likely create a trade diversion effect meaning that as the EU imports less high carbon industrial products, more high carbon industrial products will come to the UK, just based on where we are in the kind of global trading system. So, we have this actual negative impact coming in from the EU CBAM being phased in, so already we're kind of, because of us being kind of off the coast of the EU there's a huge reason for us to be considering doing the same thing anyway on that basis as well.

But of course we do need to recognise that the UK introducing a CBAM will be internationally contentious, these are internationally contentious things and if the UK does decide to do this it will need to step up its diplomatic efforts to help it land well internationally and Stefania has already pointed to this in another area but a really, really important part here is the impact on developing countries. The UK really needs to come up with a credible offer of what it can do to assist developing countries to meet new standards if it's bringing in a carbon border adjustment mechanism, that's particularly for least developed countries. We know there's particularly countries like Mozambique that are particularly exposed to things like this and we need to come up with a credible offer. I think including offers of international climate finance, which we can take already from some of the revenue that would come in from the CBAM, we can recycle some of that for international climate finance for developing countries.

Lastly, you asked about alternative options and I don't think this is an alternative, I think this is in addition, I kind of mentioned it before but the UK should link its emissions trading system with the EU. This is basically the main way in which the UK could negotiate an exemption from the EU's CBAM, avoiding high compliance costs for British business and actually really particular issues for business in Northern Ireland as well, that's an important consideration here. When the EU's CBAM was first mentioned that there would be Northern Ireland Protocol issues under the EU CBAM proposal, so we need to be alive to these issues, but ultimately as we kind of said before, linking the UK and the EU ETSs, then also offers a way in which the UK and EU can cooperate on CBAMs internationally going forwards from a strong platform of cooperation. Thank you.

Dr. Stefania Lovo

Yes, so actually I want to follow up on this, this would have been my point. I've actually even said that linking the two ETS systems is actually a necessary condition, before even thinking about the CBAM. Because we know that even if the two systems will be aligned and have the same carbon prices, still there will be an administrative burden for firms that will have need to get pre-approval and show you know before being able to export and this will affect imports, so you know in both CBAM will have important effect for UK firms, if the two systems are not linked. So, this is a priority in my opinion. And again, I think I just want to reiterate the importance of providing support to low income countries and perhaps you know even exempt them initially from the CBAM and being included gradually and with appropriate support. That's all from me.

Alan Winters

Thank you. I will pass back to Alison.

Alison Williams

Thank you. OK over to Tamara Cincik please.

Tamara Cincik

Thank you Chair, so my question is how do WTO rules affect the inclusion and implementation of climate provisions in trade deals, and what can the UK do work with and beyond the framework of these rules and help develop them further? Now, I've also got a second question that I want to just quickly add in around EPR because I work in the fashion industry and the EU is implementing EPR on textiles and the UK has decided not to, despite lots of advocacy from people like myself, so if you could just consider that within that question as well, what we're going to do with all the waste and all the impacts on the climate that that would have too, I'd be really grateful. Over to you first Jonny please.

Jonny Peters

Sure, thank you, gosh this is the hardest question of them so far, so I'll try my best but hopefully some of the other panellists can address some of the gaps that I might have. I think so by nature FTAs are granting preferential trading arrangements between two trading partners sort of beyond the context of WTO rules and of course FTAs themselves still need to operate within the context of WTO rules so there are some confines there but in general they are already trying to kind of move out

from that space and go further, become more specific in terms of the trading arrangements between countries. So if I take maybe a specific example to help illustrate this, I think that potentially the most interesting one for discussions of climate and environment is probably subsidies actually, so very kind of topical at the moment of course as well, but an agreement on subsidies within the context of an FTA will obviously still need to be compliant with WTO rules, but the FTA offers an opportunity to kind of go further and build the kind of shared understanding of those rules and interpretation of those rules between trade partners, get a bit more specific around how we understand those rules to operate and how countries are going to move in this space. And actually a really interesting, good example of subsidies provisions in an FTA is the UK-EU TCA funnily enough, the subsidies provisions in the TCA are particularly detailed and we can learn a lot I think from a trade and climate perspective in this context, because if we're thinking about now in this context, the pushback from the inflation reduction act and so on, we need to be getting to a place where we're getting clearer on what permissible green subsidies are, subsidies are going to play an important role in the green transitions, already are in fact, and so if we look to something like the UK-EU TCA it's a really good example of how countries have got more specific on what they want to do, how they define permissible subsidies and activities, created a shared agenda and I think you know touched on kind of options for WTO reform, I mean if I'm honest we definitely need to be moving towards a place of WTO reform as well, I'm not saying the rules are perfect by any stretch by saying that countries still need to operate within the confines at the moment. But I think ultimately WTO reform is a political issue and if we're going to start moving towards that kind of place then we need to have politicians step up and recognise that this is an important priority, but back this up with real kind of diplomatic potential and a real push.

Obviously there's discussions going on with the WTO at the moment on some of this stuff, there's the trade and environment structured discussions which I think are really useful official level forum at the WTO but I think really interestingly there's the new coalition of Trade Ministers for Climate initiative which the UK has joined, but I think the UK could take a really active role in using this as a pathfinder for coming up with those kind of agreements that I mentioned before. You know we've done some of that detail already in other FTAs, like let's take this out of the system and try and upload this to the multilateral system from a perspective of trying to reform them so that we can get green subsidies to work.

Tamara Cincik

And do you have any thoughts on issues like EPL which is not WTO but it's definitely we're going to see the UK falling behind the EU very quickly which is our largest trade, closest trading partner.

Jonny Peters

Yes absolutely, I mean at a high level point I think there's, it would be, it would make a lot of sense for the UK to carry on moving in the same direction as the EU, it's ultimately what business wants as well. If you put aside the kind of normative moral side of the argument that the UK should be doing this stuff as well which is obviously I would say the most important part, but business would support this as well, so yeah, I think it's a no-brainer.

Tamara Cincik

Thank you. Stefania, please?

Dr. Stefania Lovo

I think I agree largely with Jonny, I think you know the FTAs offer that space to talk about climate change, instead I'm not very optimistic about WTO in terms of pursuing any climate change objectives, I think we've seen that everything is moving very slowly, things are not changing, of course there are multiple parties and they all have their own interests so that's why things are very slow and you know to change, and so I think FTAs is the place where things can be discussed. Few parties and really collaboration and cooperation can take place and so there will definitely be more effective especially when I talk about influencing what happens in other countries through trade. So yeah, that's what I would say about the role of WTO.

Tamara Cincik

So there's a potential dichotomy between trade deals and climate justice that are in the direction of travel then.

Dr. Stefania Lovo

Yes I mean, what I think is that WTO doesn't have climate justice or any climate change objectives, although there is an effort, there are commissions talking about this but we haven't seen any real effort from them, so we think we should just move away and you know even perhaps going to moving towards climate clubs instead of you know a more global picture.

Tamara Cincik

Thank you, the voice of optimism there Stefania. Over to you Paul please for the same questions.

Prof. Paul Ekins

Yes, I mean I think Jonny in a way put his finger on it in the need for WTO reform. I think we have to recognise that the inflation reduction act drives a coach and horses through standard WTO practices and there's no way that the WTO is able to have any effective response, it doesn't have an appellated mechanism, the recent ruling against Indonesia on exporting raw nickel which it was banning, trying to ban to do, people want to appeal against that but there's no one to appeal to. So, I think we have to recognise that the WTO is now in survival mode, in a real sense. We've lived through a period which I was quite critical of where free trade would routinely trump climate issues. We can no longer afford to be in that period. Climate has got to trump free trade issues and the countries that want to move fast on climate have got to ensure that they can maintain some kind of economic standards and where free trade militates against that because of the undercutting of externalities and all that stuff that environmental economists know so well, then free trade simply has to give way. I mean we've, I mean I'm talking a bit about energy intensive industries in that respect but agriculture is absolutely critical in that way, I mean as we know this is at least a quarter and perhaps a third of greenhouse gas emissions and the notion that countries that are trying to move towards sustainable agriculture will simply be undercut by vast quantities of cheap food through free trade agreements on agriculture. Such as we saw with the Australia free trade agreement, which was an absolute ...

Tamara Cincik

We covered that in one of our previous evidence sessions and it's actually for me one of the most thought-provoking sessions that we hosted where we understood the conflict between the trade deals and the needs of domiciled farmers.

Prof. Paul Ekins

In that case I've probably said enough. I mean I think what's going on in the WTO at the moment is nothing like adequate to meet the challenges that it is now facing and there's a real risk that it will simply be side-lined into a body of no importance at all. And because I think trade is important, and because I think it's desirable that trade should continue on the basis of comparative advantage, but it has to be comparative advantage on the basis of full environmental cost and it's absolutely not that at the moment, and that needs to be fundamentally incorporated into WTO rules.

Tamara Cincik

Thank you, I mean I think this is a very important point is how can we censor climate justice into trade and ensure that it's not just a nice copper feel-good event, that it's actually incorporate into trade.

Prof. Paul Ekins

Yes and if I could just, I mean by EPR I presume you mean extended producer responsibility?

Tamara Cincik

I do, yes.

Prof. Paul Ekins

And I think that's also a very, very important principle because it does try to close some of those loops. Consumers haven't the first idea what these environmental impacts are from things like fashion and textiles, whereas the producers know very well what they are and they're not all climate by any means, there are huge issues of water, huge issues of water pollution as well and we simply cannot afford to continue to allow those costs, not to be reflected in the prices of the goods and services that generates them.

Tamara Cincik

Thank you so much for taking the time to answer and I will defer back to the Chair, thank you everyone.

Alison Williams

Thanks Tamara. Can I hand over to Charles Rose please?

Charles Rose

Good morning. My question moves us slightly in a different direction towards what's being called the Green Energy Transition and the US inflation reduction act, and the question is, what should the UK Government be thinking about in relation to subsidies for these transitional industries. This is of particular interest to me because I think we see in the north-east where I come from that the motor industry is now seriously threatened because of the need to produce batteries. The major battery manufacturing plant has gone under, there's limited control and my own feeling is very much that a strategic look at what needs to be developed is required, but it's beyond anyone but Government to be able to produce the cash and investment required to actually manage this transition. My fear is that industry moves away from the UK and will never be returned. That's a mouthful I'm sorry! Can I pass that to Jonny to start?

Jonny Peters

Sure, I mean I can definitely agree with a lot of the sentiment of what you are saying, I mean first up the UK absolutely needs to step up its climate ambition in response to the US inflation reduction act. I think the thing that we should be sort of candid about though is that it's going to be nearly impossible for the UK to match the scale of subsidies under the US inflation reduction act, and so in that context we need to make sure that the UK is really using every kind of option available to it to try and match in terms of its policy response, so that includes upping the UK's climate targets, yes subsidies but also regulation and importantly international cooperation as well. You know the UK ultimately in this context I think will need to try and play to its strengths, work out where it has comparative advantages, offshore wind, obvious, carbon capture and storage is one innovative technology it could consider. The whole range of things that could be considered in between and yes deploy subsidies effectively there. But I think the UK also has the potential to step up its ambition in ways that the US actually isn't particularly good at, and I think that's one thing that we can really kind of jump on, and I think that particularly comes down to the regulatory side of the UK's potential action. So we've talked about increasing the UK's ambition on carbon pricing, we've talked about ETS and CBAM already, but also international cooperation again, something that the US is sometimes less good at compared to other countries. I think the UK has a real potential to cooperate with other countries to leverage its place in the international system. You know we could think about for instance cooperation on critical raw materials in this context, we can see some of this in the EU's response already but I think the UK can step up and do a lot more. And yes, I think ultimately think again about how it's cooperating with priority countries in this context as well, so including the US, but also the EU and we've talked about lots of stuff that the UK could do with the EU already.

Charles Rose

There's a big article in the FT this morning about the solar industry and actually the scale of these new industries are so huge that it leaves me wondering whether a piecemeal approach can actually deliver anything of a scale that can compete internationally, but enough from me. Paul, can I pass this over to you?

Prof. Paul Ekins

Yes, thank you, and I think that your concerns are fully justified, I actually think that what's going on in the US with the inflation reduction act and the response, likely response from the EU, is existential

for UK industry. We are very small, Jonny said it would be very difficult for us to match their subsidies, it is impossible for us to match those subsidies, and we have a very small domestic market and that is the reason why we're not getting investment in batteries. I was at a conference in Lille a couple of weeks ago and the Mayor of [inaudible 0:47:30.2] France at that one part, northern part of France, has four giga factories, four battery giga factories there that is gearing up to serve the entire European motor industry. And given the size of the market, why would you not go there and Germany and other European countries, rather than come to the UK given the uncertainties that still exist in our long-term trading relationships with our nearest neighbour. So for me this is the most obvious and as I say potentially existential downside of the whole Brexit development that our ability to serve a large market and to get the large foreign investments that enabled us to do that, that enabled our motor industry in the days of internal combustion engines to be so successful in attracting FDI is now under very, very real threat. There's no obvious solution to that apart from re-joining the Single Market, but that politically at the moment doesn't seem likely anytime soon. But I think you're quite right to be concerned about it and I am too.

Charles Rose

I think the point is lost often in terms of the automotive sector and we could have spoken about others but the battery of the electric vehicle is 40% of the cost of the car, and that's just such a huge piece it has a huge impact in terms of location and the employment impact of all this.

Prof. Paul Ekins

Well there's no question if we don't get a number of battery giga factories we will not have an electric vehicle industry. So, and all countries are aware of that and at the moment we are nowhere in that particular competitive race.

Charles Rose

Entirely my views, but can I pass this over to Stefania?

Dr. Stefania Lovo

I think I agree with what has been said, I was just thinking about what I could add. Perhaps you know again emphasising also, talking about the scale that cannot be matched. I think there are suggestions of focusing on specific areas, subsidising specific areas where the UK has a comparative advantage, but again you know we need to realise also that there is the risk there that you know once you incentivise certain areas you end up de-incentivising other areas, you know in innovate that we do not even know about. So you know these really subsidies can also bring this risk and I mean just emphasising again something that has been said but I'm just saying it more, you know even louder, is that really you know stability of policy of commitment is crucial for investment. Firms invest if they know that there is a certainty in the future. So just to give you an example, there is evidence of firms in the US who changed their beliefs after Trump announced that they were leaving the Paris Agreement and that cut investment on emission abatement, so firms react to signals that governments give. So you know, this is super important for investment for long-term investment for innovation, so avoiding U-turns in climate change policies and restoring confidence in the objectives of the Government, I think that's crucial when it comes to long-term investment and R&D investment.

Charles Rose

Thank you Stefania, I think that's highlighted some of the risks but actually re-emphasised the important point that consistent long-term Government policy is the way to signal industry properly and that flip-flopping doesn't work. So with that I'm going to hand back to the Chair, Alison.

Alison Williams

Thank you. Over to Hilary Benn please.

Hilary Benn MP

Alison thank you very much indeed, I must say I think this has been a terrific session even if the answers you gave to the last question have made us feel a bit gloomy, but I'm going to give you an opportunity and you'll have covered a number of these issues earlier, but I want you to imagine instead of looking at me you're sitting in front of a Government Minister who's invited you in and he or she has said right, what are the three key policy recommendations that you would like to make to me, about what we should be doing now and in the future in the field that we've spent the last hour discussing. Because this is going to help us to formulate our recommendations as the UK Trade and Business Commission, so I'm going to start with you Jonny. Three things.

Jonny Peters

Sure, well my first is a cheat, but my first thing I think I would say is in response to a lot of the stuff we've talked about just now in terms of the inflation reduction act and so on, the UK really needs to come forward with a green trade strategy and that trade strategy I think should balance some of the stuff that we talked about before, the openness based approaches, the tariff reductions and stuff we talked about including FTAs, but also trade defences, standards based approaches and cooperation with other countries outside of FTAs, so that's my number one, is to actually have a strategy.

Number two I think we haven't really had a chance to speak about this today but that would be for the UK to leave the Energy Charter Treaty, so the Energy Charter Treaty is an outdated investment agreement from the 90s, it allows fossil fuel companies to sue governments in secretive tribunals, international tribunals and efforts to reform the treaty have failed and this now presents a really clear immediate threat to the UK's net zero ambitions at home, but also its credibility internationally by not having a credible position on this anymore, so that's my number two is leaving the Energy Charter Treaty which we can do almost immediately.

And number three I think we've talked about it a lot already but it would be to introduce the CBAM, but also I think to do that while linking the UK ETS with the EU ETS and also coming up with a credible offer for developing countries which includes international climate finance from some of the revenues from the CBAM.

Hilary Benn MP

That's great Jonny, thank you very much indeed. Stefania?

Dr. Stefania Lovo

OK so I'll go with my three recommendations, so the first one is just reiterating what I just said, setting expectations is crucial, so consistent position domestically and internationally, so internationally this means incorporating climate change provisions in free trade agreements, so strong objectives, maintaining a consistent role in negotiations with other countries. So, you know thinking about priorities, climate change provision for example can focus on removing harmful subsidies on agriculture and fossil fuels and also focusing on cooperating and in terms of transferring knowledge and technology to other countries, especially low-income countries.

Second point, having a system, a transparent system of assessing free trade agreements in support of negotiations, this ensures that consistency in the negotiation process involving stakeholders during the negotiation process, this is something the EU is very good at, so there's lessons to learn there. But also having a system of enforcing these provisions, so monitoring something that instead the EU doesn't do that well, so there is a scope here for improvement and perhaps thinking about sanctions as well, when the provisions are not followed.

Third, close cooperation with the EU. Close cooperation and basically starting from linking the two ETS systems, which is crucial for even thinking about the CBAM and all the rest.

Hilary Benn MP

OK Stefania, thank you very much indeed. And finally, to you Paul. Sorry, you're on mute.

Prof. Paul Ekins

You'd have thought I'd have learnt about that by now. So I will take out CBAM and EU ETS which were also going to be on my list and I'm going to say in the academic's role of speaking truth to power, I will say that you know the overall message is it makes no sense to maintain trade barriers with your nearest neighbour, it makes absolutely no sense to do that, in economic terms, and we can't afford it. So, number one recommendation is I'm very proud to be part of one of the UK's most successful export industries, namely research and innovation, academia, universities. We've got to get back into Horizon Europe, I mean absolutely immediately, because these decisions, I'm evaluating the European Research Council proposals next week, you know there's a huge paucity of UK proposals in there. So that's number one.

Number two, we've got to get back on track with our agriculture, you know agriculture is the Cinderella of climate policy but it's absolutely central to the nature agenda and it's absolutely central to the food security and water agendas, and at the moment our farmers haven't a clue what they're expected to do. So, this is the consistency argument. They're expected to produce food that is cheaper than the Australian outback which has far lower standards, and that's the Australian trade deal that I've already referred to. At the same time, they're expected to completely transform their operation in order to be much friendlier to biodiversity and to keep our waters from being polluted with run-off. It is essential that the message that goes to our agricultural sector, which is going to be so important, food security is absolutely critical in the world into which we're moving with water and climate constraints all over, that the farmers know what they're supposed to do and at the moment they haven't a clue. Some of them believed the promises about agricultural standards until the

Australian trade deal was agreed and now clearly, they wouldn't believe that under any circumstances. So that's very much number two.

And I think the third one comes back to that initial over-arching point that I made, we need to find every conceivable way where we can get closer to the European Union on cooperating across borders that will reduce the barriers that were put in place with Brexit and then the subsequent negotiations because that is the single biggest barrier to us getting the foreign direct investment that is absolutely critical if we're going to decarbonise and if we're going to do a whole lot of other things in the tech space and in all sorts of other areas. So those are my three perceptions.

Hilary Benn MP

Paul, thank you very much indeed, I thought that was a cracking list of nine asks and I'm only sorry that we haven't got a government minister on the call, but anyway let's hope they listen to the evidence you've given today. Back to you Alison.

Alison Williams

Thanks Hilary. So that brings us to the end of this first session on environment, I just want to take a moment to say a huge thank you to our witnesses that have joined today, thank you for your time and your expertise and very interesting responses to the questions, so thank you.

And with that we will move straight into the second session, so we're now going to have an hour's session on standards and protections, and we have three new witnesses to join us, so I'll invite them to introduce themselves, shall we start with Phoebe Clay please?

Phoebe Clay

Thank you, yes, I'm Phoebe Clay, I'm Co-Director of an organisation called Unchecked UK. We are an organisation that brings together a wide range of voices who make the case for strong protections in the UK.

Alison Williams

Great, welcome, thank you. Onto Scott Steedman please.

Scott Steedman

Yes, good morning, everyone, I'm Scott Steedman, Director General Standards at BSI where I'm responsible for the national standards body in the United Kingdom and I'm on the Board of the International Electro-Technical Commission and the International Organisation of Standardisation. Thank you, very good to be here.

Alison Williams

Welcome, thank you. And Lorraine Turner please.

Lorraine Turner

Good morning, everyone, my name's Lorraine Turner, I'm the Director of Accreditation at the United Kingdom Accreditation Service, the national accreditation body. I also sit on the Board of the international cooperation of accreditation bodies ILAC.

Alison Williams

Well thank you all for being here we're very grateful for your time and expertise today. So, I will start with the first question, how do standards accreditation and regulation impact the UK economy as well as its consumer and business markets? Can we go to Phoebe first please?

Phoebe Clay

Sure, well I mean this question is really prescient because only last week we conducted a survey of UK businesses, a YouGov survey, and we asked businesses what they felt the impact of regulation was on their activities, do they feel burdened by rules and over-regulation and our survey was pretty conclusive, I think we can say with some degree of authority that UK businesses don't feel that this is an important kind of priority, only 18% ranked regulation or over-regulation as a priority in fact and indeed 72% thought that government regulates business perhaps even too little or the right amount. Whether it's on health and safety standards or on the environment it seems that UK business are pretty clear about the fact that yes, this is an important area to get it right but certainly the notion that you know regulation is burdening is not consistent with their own set of priorities.

Alison Williams

Thank you, can we move onto Scott please?

Scott Steedman

Yes, thank you. I think that when it's done right as we've just heard from Phoebe, when you have a consistent and coherent set of standards accreditation and regulation then you can really build a trusted market framework and that's what we're looking for, efficiencies, streamlining, simplifying supply chains, accelerating innovation and delivering competitive advantage, and we know actually from our independent research which CBR did last year that standards, use of standards contributes 23% of UK GDP growth, but it's a very little understood fact, people are not aware of how standards and regulation can be used to accelerate business advantage and better business, social justice and net zero. So, I think there's an awful lot to do here to raise awareness and understanding of how we can benefit from the very effective system that we actually have in the UK today that's very closely aligned with international standards. I mean I would say that over the last number of years we have totally transitioned, 85% of British standards are international or European regional, not EU standards, and that positions the UK in an incredible place to take a leadership role globally and in terms of raising productivity and standards for consumers at home.

Alison Williams

Thank you. And moving onto Lorraine please.

Lorraine Turner

Well, I think I'd echo actually what Phoebe and Scott have said. I think that sometimes it's difficult to really evaluate the sort of impact of something which might be perceived to be a burden when it's around reducing risk. I think accreditation against internationally recognised standards does bring trust and confidence across the whole of the economy when conformity assessment works well with the aligned standards, you can have confidence in testing, certification and that brings consumer confidence. I think overall it's been quite difficult to measure the economic impact, there have been some studies and for example there's one that's been completed in Italy a few years ago that indicated that accredited management system certification increased business revenue in a range of anything up to 18% so depending on the standard in the sector used. We at UKAS are commissioning some more research into this area, but I think overall I think as Scott said when it works well the confidence that it provides overall to support regulators and consumers, it's very difficult I think to measure that but overall, it absolutely reduces the risk.

Alison Williams

Thank you that's a really good picture painted of the impact it can have, thank you. I'll hand over to Charles Rose please.

Charles Rose

Thank you, Alison. My question is about how does the UK differ or not to other countries in terms of standards of accreditation and regulation. Have any trade frictions occurred due to divergence? And if we can start that off with Scott, please and then Phoebe and then Lorraine.

Scott Steedman

Thank you, Charles. A clarification that is very, very important for this session, is that when Lorraine and I are talking about international standards we mean international standards developed in the international system which have formal representation from UK consumers and stakeholders, we don't just mean any old standard that's used around the World, we have standards that have governance attached to them and national delegations and that's the direction that we've moved over 20-30 years into really representing the UK interests in international standards. So when you look at it that way then you will discover that we have a very actually, a very pro-innovation, pro-trade structure in the UK where the use of standards is largely voluntary, almost entirely voluntary and that's quite different to other countries where, I mean the US is an example where predominantly use of standards is mandatory, it's written into the regulation. In the UK it's an option to use a standard to support your claim for example with conformity. So, in that sense we're very closely aligned globally and there isn't an obvious divergence that's taken place. The presumption of conformity opportunity that's available to industry placing products on the UK market is a very sophisticated tool and it enables easier conformity assessment to take place, and that's handled through alignment with common international standards. So very interesting to talk about divergence and where you have the identical standards being used in two countries then it's much easier to recognise the outcome of the conformity assessment process, that's a straightforward

thing, and you can even have divergences in regulation, at least minor divergences in regulatory requirement and still have the same identical standards underpinning the safety of that product.

So, for the time being I would have said we are in a very good place globally to build on that advantage.

Charles Rose

Thanks. Lorraine ?

Lorraine Turner

As far as accreditation is concerned, I think there's a lot of alignment with the way that accreditation works in the UK compared to other countries, most countries have a national accreditation body, a single national accreditation body, that's certainly the case across all of Europe and many outside of Europe in developed countries. So, from that point of view there's a consistency. Accreditation is part of a global mutual recognition arrangement that exists between accreditation bodies through to global cooperations and that ensures alignment because we're evaluated against common standards and not surprisingly it's an international standard that we're evaluated against. So that common structure is there. In some economies there are multiple accreditation bodies and in some of those there is a bit more of a competitive market between accreditation bodies, I think the overall view though is for accreditation to be delivered by a single body you know that operates in the national interest that is part of that global network.

Charles Rose

Thank you. And Phoebe do you have anything on this topic?

Phoebe Clay

I guess just to highlight a few of the sort of comparative studies that have been carried out in relation to regulation, and the evidence that we've reviewed suggests that actually in the aggregate the UK is not considered to be a very regulated country, quite the opposite, for example if we look at the data produced by the OECD we see that the UK is viewed as one of the least regulated members of the OECD, the now defunct World Bank of doing business ranking ranked the UK as the second easiest country to do business in the G7, the ILO ranks the UK as 8th out of 140 in terms of labour market flexibility and I could go on, so I think the notion that we are losing out internationally as a consequence of regulatory burden is perhaps very, very ill-informed. Conversely, I think we can point to some example where the UK is actually acting as a trailblazer in terms of setting high international standards. I would highlight the Consumer Rights Act for example that is seen internationally as one of the kind of case studies or models to be followed, likewise our Animal Welfare Act, the Online Safety Bill, at one point was also viewed as a sort of trailblazing set of regulations. So yes, I guess the point I'd like to stress is that a lot of the kind of way that we've been portraying our regulatory environment whereby we are sort of setting ourselves up to be seen as sort of a country that's being held back by rules and standards is perhaps ill-informed.

Charles Rose

Thank you very much, I think that's given us a good benchmark for the session as it progresses so I'm going to hand back now to Alison, thank you.

Alison Williams

Thank you, we'll hand over to Paul Blomfield please.

Paul Blomfield MP

Thanks very much Alison and I wanted to come back to the issue of regulatory divergence because we looked in our earlier panel about the potential consequences and in the context of the EU retained law proposals but I wondered if we could take stock of where we are in terms of whether the UK has actually made any significant changes post-Brexit to product standards and regulations or the way we approach conformity assessment and whether any particularly changes are anticipated in the near future. Perhaps I could start with Lorraine and then move to Scott.

Lorraine Turner

Thank you. I think there's overall been no significant changes to conformity assessment requirements since the EU exit, the new legislative framework that existed in Europe, the modules have been carried over into legislation, so there obviously now will be divergence naturally because as those EU regulations and directives get amended there won't be, there isn't an automatic provision for the UK regulations to change. So, I think at the moment there hasn't been that change, but one thing that has changed is because there isn't mutual recognition between EU and UK Government of conformity assessment it does mean that products and goods potentially will need to be evaluated twice against what currently are generally the same standards. Of course, there's been an extension of acceptance of CE marked products onto the UK market, but you know the future will require evaluations to take place multiple times.

From a technical perspective where conformity assessment bodies are conducting the technical process which is likely to be the same under a regime which has mutual recognition of accreditation as being equivalent, that perhaps is additional work. I think in the near future we may see the impact from the product safety review that's been undertaken, or being undertaken, and what that may impact on regulation, so aligning regulations with product risk maybe rather than product category. Obviously the impact of the Windsor Framework amendments should they be brought in will impact on conformity assessment required for some products, particularly sanitary, phytosanitary entering Northern Ireland from GB, so I think there's quite a lot that hasn't changed, but the impact of the TCA and no longer having mutual recognition has impacted the conformity assessment sector.

Paul Blomfield MP

Thank you very much, Scott you seem to be agreeing with that.

Scott Steedman

Well I am, I think Lorraine has picked up a number of interesting and important points there, the cost of double certifying against identical international standards seems to be unnecessary, but in this area of recognition and maybe we'll explore that a bit further, you've got to be very careful what you're talking about when you think of recognition and I would be advocating, and I'll leave it to others to comment, is it is entirely possible to mutually recognise the conformity assessment result, that's not to say you're recognising the regulation or the standard, you're recognising the result of a test, so you don't have to double test things, that's the kind of thing that really ought to be dealt with. But sweeping references to mutual recognition are not helpful because you need to be very precise.

We are definitely, and there's two forms of divergence that I think are very interesting to explore, one is the kind of incremental that Lorraine talked about and we've seen that already in medical devices and we will see it again maybe with AI regulations in Europe versus the UK, how that will shape up, and as Lorraine mentioned building safety act, construction products is something we're exploring different ways of doing things but how can we keep aligned at the same time with identical international standards. So, there is a challenge there but I think it's entirely manageable. It's an opportunity to explore, provided you have the same international standards with UK representation and UK consumers participating in that through the committee structures we provide. Then I think you can be assured that the standards that are underpinning your divergent regulation are the same and have the right British representation in them, in the voices that are being heard. What is much more difficult is divergence if I might describe it horizontally where you simply say oh well, I'll accept any old thing from any old other country's regulatory structure because I think it's roughly the same as ours. That's a kind of not very well thought through approach, you need to be very, very precise about this because the risk of diverging laterally and having multiple regulatory regimes for consumer products is only going to cause cost and confusion and certainly a massive handicap to the UK which is a relatively small market in the world, and therefore our opportunity frankly is to use our influence in international standards and international accreditation processes to make sure that the UK and other countries are operating in a seamless standards led framework where UK voices have had a strong input.

Paul Blomfield MP

Thanks very much, Phoebe do you have a perspective on that?

Phoebe Clay

I think Lorraine and Scott are experts, so I'll defer to them.

Paul Blomfield MP

OK, can I just ask either Lorraine or Scott, what are the barriers to getting into the right place on conformity assessments?

Lorraine Turner

Do you mean in terms of ensuring that they are recognised?

Paul Blomfield MP

Yes. I mean you talked about that as the problem area.

Lorraine Turner

Yes and I think just to clarify and Scott's quite right you know we do sort of bandy around the phrase mutual recognition, I think just to sort of clarify that point because I think that will help answer the other question, there are the global cooperations of accreditation bodies enable each accreditation body to say yes, what I do is equivalent to what you do. And that should enable then the market to utilise and services of conformity assessment bodies without being concerned what country they are based in or who has accredited them because that overall umbrella mutual recognition exists. But I think when it comes to the acceptance of conformity assessment results which come through for example a trade agreement where two parties agree, that is then the Governments then recognising having mutual recognition, so that's really important and we should be able to rely on the global infrastructure of accreditation and standards to deliver and support that mutual recognition which might be then recognised through Government. So that I think is key to enabling conformity assessment to run as smoothly and as effectively as possible, particularly when then it's based on common standards and Scott is absolutely right, you know we don't have to have regulations the same but if those regulations have that common core of common international standards, utilising that common mechanism of conformity assessment that has mutual recognition then that enables divergence if that's what decided, but minimises the impact of that divergence.

Scott Steedman

Paul, if I just leap back quickly, two quick examples we have different building regulations in England, Wales, and Scotland but the same standards, and it all works perfectly well. An automobile manufacturer once said to me do you know it's really ridiculous that I have to crash test at full speed ten fully spec'd, fully built cars in one country and then repeat exactly the same test in another country, who pays for that? The consumer pays for it. Do we get any extra data? No, we don't. So in the precise area of testing and conformity assessment it's very possible for countries to agree OK, your test results are against the same standards that's fine, that's not to say anything about the recognition of regulation which I think in many ways is an extremely difficult thing to negotiate and I'd like to talk a little bit about standards-led approach as opposed to a traditional old-fashioned regulatory-led approach to trade in a few minutes perhaps we'll come to that.

Paul Blomfield MP

OK thank you very much and I'll hand back to Alison.

Alison Williams

Thank you, I will hand over to Hilary Benn please.

Hilary Benn MP

Thanks very much Alison, just picking up the conversation you've been having with Paul and listening to your answers, given that it's going to involve duplication, given the Government has postponed its introduction I think at least twice now, what is the purpose of a UK CA mark? I don't know if anyone would like to venture an opinion?

Scott Steedman

The concept of a UK CA mark was surely a political statement. You can see that in high-risk product areas there is some value in having a mark, probably a digital mark, that can enable the authorities to track the provenance of that product. But from a consumer's perspective I don't think, personally, it's terribly helpful. It's not a mark of conformity to a standard, the CE mark is a mark of declaration of conformity to regulation, but I don't think that's very widely understood. And as products become more complex and incorporate software and all sorts of other things, there's a big question as to which particular regulation is this mark giving me confidence. So when we talk about marks I think you have, I'd really like to suggest that there was a very important place for a mark that was enabling official people who are needing to trace the provenance of a product, high risk products, medical devices for example, to have that type of identifier and that's been talked about in high risk instruction products and it's been talked about in high risk medical devices, but generally speaking I don't think a mark brings any value to the ordinary consumer on the street, after all you can download it, put it on the product yourself, so if you have criminal intent you're just going to do that, it doesn't seem to me that Trading Standards are going to pick you up for it.

Hilary Benn MP

Thank you very much indeed. Can I then move on to ask a question of Phoebe, what I'd like to put to you is what do you think are the minimum protections that the UK should strive for when it comes to safety, product quality, labour protections, labour standards and what do you think the implications for our trade relations might be if good, high standards are not met?

Phoebe Clay

Yes, I was interested by this question because as far as I can see striving and minimum protections are kind of contradictory aren't they? Are we right to be asking ourselves as a developed economy you know what is a bare minimum, we can live with in order to strike trade deals? And instead what would it look like if we were asking ourselves is what our ambitions, what are we striving for, what are the standards that we think are what we should be aiming for and how can we leverage trade deals in order to achieve those standards in relation to the environment, the labour market and more broadly our general sort of wellbeing. So yes, and I think the way that we've been framing the debate around trade deals has been very much around can we put up with losing this, can we put up with compromising on animal welfare, can we put up with opening ourselves up to certain chemicals, can we put up with certain new technologies. So I guess what I would really ask the Commissioners to think about is what would good look like instead, and really sort of reflect on the standards that we have in place now, standards that not only have been developed over the course of many decades but which we know enjoy huge public support, people really care about them because they really rely on them. You know it's not minimum protections, people really sort of you know rely on things like food standards in order to ensure that the food they are serving their kids are safe and healthy, animal welfare standards to me are kind of almost a badge of identity for British people, you know the notion that we're prepared to compromise on those in order to strike trade deals seems problematic. Health and safety perhaps has a sort of bad name but you know we are looked up to internationally and indeed we sort of take for granted the fact that our workplaces are amongst the safest in the World in this country. So, these shouldn't be things that we're prepared to compromise on when going out to strike trade deals.

And indeed, as we heard in the previous session, how can we leverage these trade deals in order to actually export standards, you know really accept that we have that sort of in the bag and therefore we want to actually export them to our trading partners. I think one thing I would perhaps put out there is that we are an outlier when it comes to public support for, or to some extent an outlier for trade and the benefits of free trade, but I think it would be risky to be complacent about public support, indeed I think when we've sort of started to kind of question some of these sort of really basic standards that we now take for granted in the UK, that support starts unravelling, you know the most salient example is the chlorinated chicken in the US, where suddenly you know there was a real kind of public scrutiny of that kind of whole concept and also in relation to the possibility of striking trade deals with countries like Saudi Arabia, again you know these are really, really important parts of who we are as a nation.

So yes, I guess it's a sort of more general strategic point that I would like to make which is yes, let's not kind of you know bog ourselves down to what's the bare minimum we can get away with, but actually sort of reformulate that question.

Hilary Benn MP

OK, we are currently operating in almost all areas to the standards that we followed when we were members of the European Union because everything was read across into retained law, now there's the whole debate about what impact the EU retained law bill is going to have on the continuation of those standards and they would be regarded in international terms as quite high, but you said earlier on in answer to another question that the UK is seen as a lightly regulated country in comparison to others, so where would you identify are the areas where we are lightly regulated and what do you think should be done about those?

Phoebe Clay

Yes, I think the labour market would be one area and I think sort of the standards operate on two levels, whereas you know on one level sort of yes we have some very progressive rules in place and on another level are these rules being enforced, that's a question that we've been asking for a little while now and you know our sense is that those regulations aren't actually being underpinned with the sort of necessary level of scrutiny that you would expect for a country, so I think I would definitely highlight the labour market. I think other areas where we are concerned, and this is partly as a combination of sort of whether rules are in place or whether they're being enforced are in relation to just generally the sort of environmental regulations. We know that that regime is under a lot of scrutiny, and we know that you know there has been growing evidence of malpractice. So, these are massive, massive things that we can't take for granted. So, I would certainly prioritise labour market regulations and the environmental regulations.

Hilary Benn MP

And do you have hopes that the Office for Environmental Protection will be as effective as the EU Commission was in calling people to task?

Phoebe Clay

They have already, they've weighed in, quite a muscular and very decisive way. Whether or not that goes beyond sort of you know a kind of rhetorical intervention into real applied enforcement with some sanction regime to follow I think we haven't tested that yet.

Hilary Benn MP

OK that is great, thank you very much indeed. Alison, back to you. Oh Scott, do come in, yes.

Scott Steedman

Thank you, Hilary, may I just follow up on Phoebe and pick up some of those points? One of the reasons that I think that there are ideas of lightly regulated markets in the UK is because a lot of our regulation for products is performance based, it's not prescriptive. Where you have countries with prescriptive regulation where the law sets the precise requirements for absolutely everything, that becomes a very, very heavily regulated environment and very easy to cheat and difficult to manage and police. So, we have in a sense for most of our lower risk product sectors very lightly regulated against performance regulated and the reason that works is because it's signposting a standard, so again just drawing ...

Hilary Benn MP

Can you give an example of how performance regulation works in respect of a particular product for example?

Scott Steedman

So, the toy safety regulation says toys shall not pose a risk of strangulation, that's all it says. It doesn't say how. It says a means to demonstrate this is through this standard, this British standard, and my point is that in the standards landscape you have the committee of stakeholders, consumers, regulators, academics who sit there, BSI doesn't write standards, we help that community come to an agreement on what a good standard should look like that would support that performance-based regulatory requirement. It's a very kind of progressive way of thinking about your market structure because people who are affected by the standard are the ones who are shaping that standard.

Hilary Benn MP

And who checks that the toy doesn't present a risk, a strangulation, before we as consumers buy it?

Scott Steedman

It depends if it's classed as a high-risk product or not. If it's a high-risk product then there will be testing required pre-market and you think of that in the area of medical devices, so pre-market certification is required for medical devices that are high risk. But the vast majority of products on the market in the UK are deemed to be low risk and you don't see vast tracts of problems there, and so they're not tested before they go on the market. If harm is caused then the Trading Standards Authorities will collect that, test it and discover whether that particular product caused harm or not,

and that's how the system works on the ground. So, it's quite efficient in the sense that you don't have to have every single product tested.

In the retained EU law bill that's coming through there is of course, we are worried about what's going to happen, and we hope that OPSS and we're supporting the department, will work their way through those regulations. But should a black hole open up, that will cause issues for British businesses, there's no doubt about that. So when I come back to this idea that we are a very sophisticated market structure with a combination of high risk and low risk, performance regulation and some prescriptive regulation in the more regulated sectors, this gives us a massive opportunity to push an alternative form, an innovative form of trade deals, where instead of arguing about whether my regulation is the same as yours or higher or lower, I say look, you can trade with us if you use these international standards. That's what we have in the UK, they are higher than the regulation, they are about going beyond regulation, they're not minimum protection, they're aspiring to something like net zero transition, modern slavery, so it's a very different way of looking at it. Thank you.

Hilary Benn MP

Thank you, that is really helpful. Alison, back to you.

Alison Williams

Thank you. I'll hand over to Alan Winters please.

Alan Winters

Yes, thanks very much. So look, we've talked already about CE and UKCA, but this always seems fairly clear to me when I hear Scott talking, which I have on a few occasions, but it sort of evades me afterwards, so can we do a sort of 101 on what's the issue between the CE and the UKCA and the sort of potential disadvantages that it poses, and I mean I suppose you know then how do we get around that and particularly thinking about the interests of traders. I guess Lorraine this is your area so let me start off with you.

Lorraine Turner

Thank you, Alan. I think we have touched on this a little bit already because I think at the current time the requirements for CE and UKCA marking are generally the same, and of course UKCA is not necessary until the end of next year, so from that point of view we're kind of continuing as we were. But I think going forward as those requirements diverge, if they do diverge, then that will cause confusion and it will cause I think the need for products to be tested against different sets of standards potentially as well. So not only is there the challenge of not accepting conformity assessment results since EU exit, meaning re-testing will be needed for UKCA anyway, there'll also be different tests potentially or different certification that needs to be conducted. So, I think a way around it, again as we've already said is that if there is mutual recognition of the conformity assessment results, if conformity assessment, if the requirements are based on international standards, as Scott said, then that will also minimise any additional burden that's placed in having

different sets of technical requirements. So, I think it is quite a confusing picture, but there are remedies I think with what we've suggested already.

And I think another point to add actually is looking at areas which are under development, so we've talked about product legislation which is quite a developed set of regulations that we have that were carried over from the EU, but if we look at evolving areas like net zero for example, I think where every Government is sort of struggling with or developing different policies, utilising the quality infrastructure that is there, the standards making process, the international standards making process, accreditation, conformity assessment, there's a real opportunity to prevent divergence as new standards are developed and I think that's something we should also be focusing on as well as dealing with the challenges of divergence in existing legislation.

Alan Winters

OK thank you. One of you said earlier that these things are about conformity to regulation rather than conformity to standards, so to whom do they apply? I mean you know I see lots and lots of products with CE markings on them and I presume it means something, we have to go through the whole process, there's going to be parallel tracks, let me pass to Steedman and then perhaps if Lorraine wants to come back in again.

Scott Steedman

Thank you, Alan, and great to see you again. The mark, the concept of the mark was perhaps logical in the earlier days of the formation of the Single Market where many countries were coming together, and consumers and the authorities wanted to be clear that the manufacturers placing a product in that market understood that they had to meet the regulation of that territory. So, the mark is only a mark that the supplier who is placing the product in that territory on that market recognises and claims that they are meeting the law in that market. In Switzerland by and large they don't need a mark. If you make a Swiss product and sell it in Switzerland you don't need to apply a CE mark to it or even stick it on having downloaded it off the internet, you just sell it. But if you want to sell it in Germany you have to. So, the interesting opportunity perhaps is to say in the 21st Century where actually digital provenance, trade information, customs, conformity assessment results, everything could be encoded within a digital tracer, then that's maybe the direction of travel that might be the right one for the medium term. Because after all Alan, as a clinician said to me when I asked them not so long ago, if you're a patient in a hospital, you don't get to open the box. You never see the box. So, you never see the mark. So you as the consumer, the end user of that product won't see it, but the authorities may need to trace it, and indeed I think for lots of good reasons we could think why it would be very sensible to have a digital identifier that enabled people who had the right equipment to check the provenance of that object. But when it comes onto the High Street then in a sense what is the purpose, can really an ordinary consumer do that, do you expect them to do that, I don't personally think so.

But it's simply a declaration by the person who is placing the product on the market that they understand, and they claim it meets the law in that territory.

Alan Winters

And when UKCA kicks in that is what will be required in the UK?

Scott Steedman

I'm not responsible Alan, but I understand that is the case yes, if that comes to pass.

Alan Winters

It will be required. Lorraine, do you want to add anything to that? I'm sorry I'm so slow about this stuff.

Lorraine Turner

No, no, no. I think yes as Scott said, I think the marker has been used in that way, I think the intention currently is that the UKCA mark will be utilised in a very similar way, all the time the regulations remain, it is the manufacturer's responsibility to ensure that the product meets the requirements and obviously they'll use different mechanisms to do that, different types of conformity assessment and then that enables the mark to be placed on the product. I completely agree with what Scott said around what does the mark really mean, it's the information that goes with it, the information about the product is what the market needs overall, whether that's the consumer, perhaps some of it is too technical but it certainly enables all of that information to travel around with the product and that's got to be the future I think going forward, otherwise the mark can be misunderstood or misinterpreted as to what it means.

Alan Winters

OK thank you very much indeed, let me pass back to Alison.

Alison Williams

Thank you, I'll hand over to Deborah Annetts for the next few questions, I think.

Deborah Annetts

Thank you very much indeed, it's been a voyage of discovery for me this morning listening to this session, I had no idea that this was such a big area, so thank you very much indeed. So, I'm going to have a go at asking the question but I'm not sure I entirely understand it, so bear with me. The question is how can the UK collaborate with global partners to ensure that product conformity assessments result in seamless trade and benefit all trading parties, and if that question could go to Scott and Lorraine, thank you.

Scott Steedman

Thank you Deborah and I think I'm going to primarily ask Lorraine to deal with it because it's really on her side of the fence. But my response to that is if you base that process, the conformity assessment process, on international standards with national delegations represented in there, the way that we

are describing, ISO standards, IEC standards, then you have a much better chance of having a straightforward relationship. So, it's really the underpinning standards that are based on as I said national delegations through a formal process with formal governance. If you base the conformity assessment process on that you're on the right track, but Lorraine perhaps you'll fill in the detail.

Lorraine Turner

Yes, I mean I think the global partners that Scott mentions at the international level, we have the international standards organisation that will facilitate the development of international standards and we have the global cooperations for accreditation, ILAC and IEF which enable alignment with what accreditation would do. So, we've got those global organisations, so engagement, continued engagement and activities in those organisations and of course we have regional cooperations as well which are regional rather than political regions, so at a European level and certainly you know I think UKAS continues to be very actively involved internationally and at the European level. We're also working with Government and devolved administrations on trade policy and trade deals, we're participating in the DBT's technical barriers to trade thematic working group and I think that's also helpful because that enables us to have that insight as to what the challenges are for the different sectors which means when we engage at an international level on matters of conformity assessment, we can have that exchange with our counterparts in other countries. So, we're using the networks that we've got as much as possible and then feeding that information again back into Government, back into colleagues at DBT as well. And I think utilising the networks, so ILAC and IEF are also closely linked to the World Trade Organisation, the technical barriers to trade committee because of course accreditation conformity assessment are all facilitators to reduce technical barriers to trade, UNECE and ISO of course those links. So, we should be using that network particularly on matters of standards and conformity assessment and sharing that information, looping back into discussions when trade agreements are on the table and that's something we're very actively involved with as well.

Scott Steedman

And Deborah just to pick that up on the WTO point, I mean the core principles recognised by WTO of standard development are very much around that definition of international standards and it's really, really important and as a member of the WTO we are expected to align our technical regulation with international standards should they exist. We're focused on that side but of course from the consumer dimension it is much more misty because there are also in addition to international standards a vast range of proprietary standards schemes and all sorts of private set-ups which can look and do serve an important place in the market but they're not the same. So, in terms of defending the interests of UK consumers I think that it's very important that we focus on the international system that we've been discussing this morning. Thank you.

Deborah Annetts

Thank you and then the second part of the question if this could go to Phoebe, what sort of baseline level of protections should we aim for as part of conformity assessments and is the UK currently meeting them or likely to do so in the future?

Phoebe Clay

Yes, I think what we are very focused on are mutual recognition agreements as part of our trade strategy. I think what we think is that these need to be underpinned by binding commitments to non-regression and I guess we can't assume that you know mutual recognition agreements would in and of themselves enable us to maintain or increase standards. So, I think a key goal from our perspective is to ensure that we are putting in place the mechanisms to ensure that standards are maintained and increased. I think the second part of this is really the benchmarking that we are putting in place to ensure that the standards that we're signing up to are equivalent or indeed help us improve on our own standards, so this process of comparison is being done fully and properly. And I suppose that the third point which we haven't spoken enough about but I think you did discuss in the previous session is around the enforcement procedures around these standards, you know our Trading Standards and other labour market standards need to be underpinned by a system whereby we can ensure that equivalence isn't by default, that we are following through. This was an important feature as Hilary said previously of our membership of the Single Market and you know we do need to ensure that these things are being followed through and at the moment we have real concerns about that because of the impact that austerity has had on key regulators and that whole infrastructure that we need to ensure that these standards are being maintained.

Deborah Annetts

OK and then moving onto the next question and perhaps we can go to Scott first, how can trade deals be used as a means of bilaterally or multi-laterally improving protections amongst signatories and trade flows between businesses? Do other tools such as mutual recognition agreements offer the same scope, and of course post-Brexit one of the things that the Government was saying was that we can now have much less regulatory control when it was looking into new trade deals, so that is I guess the reality of where the Government wanted to take us.

Scott Steedman

Yes, I think we've talked a bit about mutual recognition agreements and as I've tried to suggest I think it's quite a simplistic kind of label and one needs to unpack it and look at what it is you're actually recognising and again be very, very clear in any conversation, do you mean a regulation or do you mean a standard, because these are different things. One is about minimum levels of protection and the other is about opportunity and of course they are referenced in regulation to help provide a measurement method or something. But basically, you have got to segment what is the law, what must you do and what could you do. And I think that in many ways we ought to explore a much more progressive way of looking at trade agreements than the traditional approach which is I would say regulation-led, lets look at a list of your regulations and a list of my regulations and see if we can align them or recognise them. That's a very, very difficult thing to do. But if you say oh, by the way, we use this international standard on modern slavery in the UK, or we use this international standard on carbon foot printing in the UK, if you do that in your country then we'll have free trade in products that are using that standard. And then we reserve the right to impose a border mechanism, a border penalty on products that are not using that standard. But if you are using that standard why not just allow that to take place. It's a much simpler way of looking at a trade agreement and then going right through from a penalty-led approach, a kind of regulatory-led approach, tick all the way down to the bottom, you could just start at the top as we've talked about earlier with the Windsor Framework, you know we have identical standards so that's a straightforward thing as it is within the UK.

So, there's a very simple way of looking at it and addressing some of these barriers that have emerged over the years because tariffs are no longer really the problem, it's all about these technical barriers to trade. So, I suggest we could look at it in a different way Deborah.

Deborah Annetts

Right, and have you had much success in talking to Government along those lines?

Scott Steedman

Yes, I mean we have within the DIT as was, the STAG, the strategic trade advisory group, we've talked about that idea, that seems to be welcomed, I can't say I can point to anything, I'm not part of any trade negotiations but I've suggested that there are innovative ways of pursuing collaboration between the national standards bodies of the countries we're dealing with or the regions that we're dealing with, and that's something we undertake very seriously in BSI, part of our job is to go out and build relations with the national standards bodies all round the World, so that we can have these conversations and try and resolve the issue and make sure that they are adopting and using the same international standards that form the basis of the UK economy and consumer and environmental protection here.

Deborah Annetts

Lovely, thank you. Lorraine, what are your thoughts?

Lorraine Turner

I think very similar to Scott's actually, I think the bilateral, multi-lateral trade deals can unlock potential for the removal and reduction of technical barriers to trade that comes from utilising the mutual recognition of accreditation and conformity assessment, I think where trade deals contain mutual recognition provisions on conformity assessment results the partners of a trade deal can work together to make sure that their respective accreditation bodies have got competence to evaluate the conformity assessment bodies' competence to evaluate products against the different regulations, or hopefully the same, the application of the same standards, so we can use that structure and I think we've actively been doing this with some of our counterparts in other countries where we've been doing that compare and contrast, you know what are conformity assessment bodies, what processes are they using to evaluate products to meet the other party's national rules, how do they compare with what's needed for the UK rules, what can be shared, what can be assumed, what additional work needs to be done. So, I think you know none of that will reduce the protection, I think in a way it does allow us to sort of share and transfer knowledge between us and to make the process as burden-free as possible, or certainly not to increase the burden overall. So, I think there is a lot of potential for standards to be, as Scott says, for standards to be used as the opportunity, not to be sort of stifling innovation but to enable innovation and therefore enhance protection and assurance.

Deborah Annetts

And Phoebe do you have any further thoughts?

Phoebe Clay

Yes, I guess my main thought is around whether improving protections has been a guiding kind of objective of the way that we've been approaching trade deals at this point. You know we've looked for example at provisions on labour standards and it seems like quite a scattergun approach that's been taken, it applies to some trade deals, not for others. And I don't think the process is being scrutinised, I think people like Scott and Lorraine can do the technical part incredibly well and organisations like those are really fundamental to the process, but we know that Parliamentary scrutiny hasn't been as strong as it should have been and certainly, and we heard this previously, you know the level of scrutiny from the civil society and social sectors has also been very, very minimal. And in the way that in the European Union there are platforms that enable that kind of scrutiny, or at least that kind of dialogue between those striking trade deals and the wider society. So yes, I don't think we are putting as much focus on improving protections as we could be on trade deals.

Deborah Annetts

Lovely, thank you, back to Alison.

Alison Williams

Thank you, I'll hand over to Geoff Mackey for the last question, thank you.

Geoff Mackey

Thank you very much Chair, much appreciated. A riveting session and like Deborah I think we've all taken away something from this. Just literally very briefly to finish, could we give key policy recommendations to the UK Government please regarding standards protections and product conformity. In a word, Lorraine?

Lorraine Turner

Yes, I think we can. I think broadly we would ask for mutual recognition of conformity assessment results based on the global accreditation mutual recognition agreements of ILAC and IAF to be a UK request within trade deals whenever it's appropriate. More specifically we'd look for the review of the UK-EU TCA taking place in 2025 to seek mutual recognition of conformity assessment results, this wouldn't necessitate regulatory harmonisation, but it is about the competence of conformity assessment rather than alignment. Secondly, we'd recommend that Government use the international infrastructure of conformity assessment accreditation by accreditation bodies that are signatories as I've already said to reduce technical barriers to trade and aid the alignment of regulations where desirable and where needed and using international standards. And finally and I think this is probably more of a domestic request but perhaps one that would support the other

recommendations, we'd ask for Government to own a clear policy statement about the role of accreditation in public policies, the importance of a single not for profit independent accreditation body and the requirement for that body to be used when accreditation of conformity assessment is required, so to actually use the tools that are there already. This gives protection to policy makers and regulators and also more importantly to consumers and other end users.

Geoff Mackey

Thank you, Lorraine, transparency, and clarity. Scott.

Scott Steedman

Well thank you very much Geoff, a very interesting session thank you. Three points perhaps to make, first of all our own sponsoring department, BSI's royal charter but our sponsoring department in DBT, the OPSS does a great job but with the new machinery of Government changes we really would hope for more coordination of the sorts of arguments and discussions we've had this morning across DBT of course with the trade side, science innovation and technology, DSIT, energy security, net zero of course, but also DEFRA, we talked about agriculture earlier on and I think that's a really, really interesting area where there's a lot of opportunity to improve the understanding and to use standards for trade. So, coordination and awareness, increasing education awareness across these new departments would be really, really helpful.

I think secondly ensuring meaningful stakeholder involvement in the trade policy and trade agreements is absolutely vital, different trading partners have different models of regulation and they tend to want to impose that on us, so do not give formal legal status to foreign standards but use the international standards system where British voices are heard and increasingly influential actually, it's a matter of fact that the UK is amongst the top participant in ISO standards work, so we participate more than any other country in international standards activity which is great. So, there are some opportunities there to use the platforms that we have to bring UK stakeholders, consumers, academics, regulators and industry experts all together to shape a UK influence. Increasingly important not just in ordinary products that we've described, or perhaps not so ordinary, but also areas like telecoms and digital infrastructure, really critical.

And thirdly I think I would be recommending that we integrate our trade, our technical and our foreign policy agendas in a much more coherent way than we have and we're very keen to support that activity. The digital trade conversation is one that's really so important for the future and for ensuring protection in terms of the complexity of products, whether they have AI technologies or whatever. That flow of data is really important. So, the integrated review group, you know good result, we welcome that but could we possibly integrate our trade, our technology and our foreign policy agendas more effectively. Thank you very much.

Geoff Mackey

Thank you, Scott, joined up policy in Government, what an interesting thought. Phoebe the last word please if you'd be so good.

Phoebe Clay

Yes, thank you for that, yes so three commitments actually with a few policy ideas underneath them. The first one is a commitment to the race to the top, not the minimum standards if you please. That involves more scrutiny of our trade deals both by Parliament and by the social and civil society sector, some kind of UK equivalent of the EU Economic and Social Committee would be very welcome. The second a real commitment from the Government to a duty to protect, not just to grow. I think there's a real sort of blind spot here in this conversation around the whole deregulatory infrastructure that's been weaved through every area of policy in the UK, we need to really look at that very carefully and think about how we balance that out with a duty to protect. And finally, the enforcement gap, something that we've been documenting for many years, it's a big and growing problem. We want more money, more scrutiny of enforcers, enforcement agencies and finally you know a real commitment to ensuring that regulators remain independent and free from political interference.

Geoff Mackey

Phoebe, thank you the importance for the sector is clear. Chair, back to you please.

Alison Williams

Thank you, that brings this session to a close so I just wanted to extend a really big thank you to all of our expert witnesses on behalf of all the Commissioners here, thank you so much for your time and expertise and candour today, this has been a really fascinating eye-opening session, thank you. Enjoy the rest of your day.