

## **UK Trade & Business Commission**

### **The state of play in global trade**

Date: 11<sup>th</sup> May 2023

#### **Hilary Benn MP**

Welcome to this latest evidence session of the UK Trade and Business Commission. For the past two years we've been taking evidence from a very wide range of witnesses looking at the state of the British economy, the impact that new trading relationships have had on it, and we've got a terrific panel this morning. We're going to be discussing the state of play in global trade, so trying to look at some of the big questions and big issues that are affecting trade right across the globe. And on behalf of the Commission can I express my thanks to all of our witnesses this morning for giving up your time to give us the benefit of your insight and expertise. We have a lot of ground to cover in the two hours that we've got, so wherever possible succinct answers will help our questioners as we go around members of the panel, but I'd just like to begin by asking our witnesses to introduce themselves perhaps starting with you Sir Peter.

#### **Sir Peter Westmacott**

Good morning, everybody, I'm Peter Westmacott, I'm not really a trade policy expert but I did do a good deal of trade negotiation work when I was a British Diplomat for more than 40 years. I was in different parts of the World, but in my latter years Ambassador to Turkey, to France and to the United States of America. I'm now on a few boards including a French asset management company and some British manufacturing firms, and on a couple of think tanks including Chatham House.

#### **Hilary Benn MP**

Well, you're obviously keeping busy Peter. Now next is Lorand.

#### **Professor Lorand Bartels**

Yes, thanks very much. Lorand Bartels, I'm a Trade Lawyer at Cambridge, I also practise at Freshfields, and I have a few Government roles, most importantly Chair of the Trade and Agriculture Commission which vets new FTAs and I'm also one of the arbitrators under the UK-EA Trade and Cooperation Agreement.

#### **Hilary Benn MP**

Thanks very much. Laurence.

**Laurence Turner**

Morning everyone, I'm Laurence Turner, I'm Head of Research and Policy at the GMB Trade Union which represents workers in a very wide range of sectors including manufacturing, energy and transport and logistics. I know you were due originally; I think to hear evidence from the TUC, and I sit as part of the TUC Group on the Domestic Advisory Group which is monitoring the implementation of the Trade and Cooperation Agreement and I'll try to answer questions from the wider trade union perspective as well but thank you very much indeed for the invitation to give evidence.

**Hilary Benn MP**

Great, thank you very much. Iana.

**Iana Dreyer**

Hello Hilary Benn, very nice to see you again. Thank you for having me, it's a pleasure and honour to be here. I am Iana Dreyer the Founder and Editor of Borderlex.net, it's probably now the leading publication on international trade policy made in Europe, so made in Brussels and made in London post-Brexit and also at the WTO in Geneva, so covering a wide range of trade policies across the World. Yes, and before that I was an old-fashioned think tank trade nerd.

**Hilary Benn MP**

Wonderful, thank you very much. Next, is it Kati or Katie? Kati, welcome.

**Kati Suominen**

Kati. Thank you very much, thanks for having me. Kati Suominen, I'm the Founder and CEO of Nextrade Group here in Los Angeles, we help our clients, governments, multi-lateral development banks and Fortune 500 technology companies to enable trade through technology. I grew up as a trade economist, I was working ten years at the Inter-American Development Bank, working with Latin American countries as they're seeking to integrate into the global economy, and for the past ten years I've been running my own company and we've been among other things working a great deal on trade agreements with our clients like Google and Amazon web services in the Asia Pacific region and have done quite a lot of empirical work on the CPTPP and also thinking about how we can maximise the impact and monitor the implementation of the CPTPP. So perhaps that's the most pertinent thing that I can bring to the table here. I'm also an Adjunct Professor at the UCLA Anderson School of Management and Adjunct Fellow at the Centre for Strategic and International Studies in Washington. Thanks so much for having me.

**Hilary Benn MP**

It's a pleasure. Thank you for joining us. And finally, James.

**James Kane**

Thank you, last and I think very definitely least. My name is James Kane, I'm an Associate at the Institute for Government which is an independent think tank aiming to improve the effectiveness of Government, I look largely at trade and agriculture policy although I've also done some work on devolution and a couple of other areas and Brexit when that was still a thing. Before I worked at the Institute, I was a civil servant in a couple of different departments, in DEFRA, in the Cabinet Office and also the European Commission in Brussels.

**Hilary Benn MP**

Well thank you very much to all of you. Now, the first question is going to be put by Paul Blomfield, Paul over to you.

**Paul Blomfield MP**

Thanks very much indeed Hilary. And I guess this is a scene setting question for our subsequent discussion. The central proposition of Brexit probably was the opportunity it would provide the UK to strengthen its position independently as a trading player internationally, so I wonder if each of you could reflect for us on where you think, how you think we are now as a country perceived as an international trading partner by countries around the World. Perhaps I could start with Sir Peter.

**Sir Peter Westmacott**

Thank you. Let me give it a go, and my comments will be based mainly ... forgive me if I'm croaky by the way, I've been having a rather bizarre form of something that isn't quite Covid but probably is some version of flu, so if I lose my voice halfway through forgive me. My comments are going to be based mainly on what I hear from people I work with now and have worked with in the past in places like Washington and Paris and to some extent Turkey and Germany and so on, and of course Brussels. So I think you're partly right in what you say were the central proposition of the whole Brexit thing was, but I didn't hear the words 'taking back control' or 'sovereignty' which I think was a big part of what persuaded people to go along with it, even though there was likely to be some economic downside in the decision to leave the European Union, though of course we can easily argue that the decision to leave both the Customs Union and the Single Market was one that was taken after the referendum rather than as part of the prospectus for the vote in June 2016.

But where are we now? I would say that from the French point of view for example, the United Kingdom is regarded as an economy in relative decline at the moment, even if there's been some indications the last few days that some of the international predictions for the state of the UK economy in 2023 may have been over-pessimistic, but there is a feeling there that in terms of trade volumes, difficulty of trade, barriers to trade, productivity, investment, FDI that the UK is no longer what it was before 2016. That does not mean to say that people don't want to do any business here, they would like to, they actually see that the financial services sector in particular remains strong and indispensable and partly because there's a lot of skill there, and partly because there is still a huge amount of money in London from all sorts of different sources. So, they're very keen to continue tapping into that even if hundreds of American investment bankers from individual firms have moved from London to Paris and to other European centres, that's incontrovertible, that's what's happening. So not written off at all in that sense.

And what I detect is a desire now that we have put aside the game of if you like insulting other European political leaders or blaming everybody else for where we are, and that we've dealt with the Northern Ireland Protocol or almost have, at least the Prime Minister has done his best to do so with the help of Ursula von der Leyen and the Irish and others, that we will now begin to fix some of the barriers, obstacles to continued trade and investment across the Channel, without going back to Single Market, that's obviously not going to happen in the foreseeable future, but removing some of the wrinkles and barriers and problems and seeing whether we can fix things. And some of it is about trade, some of it is about barriers, some of it is about, I won't call it freedom of movement but shall we say the fact that at the moment French students can't come to the UK nearly as easily as they could before because they don't have passports, they have identity cards and we're not accepting that, we want to have passports with visas, so although British kids can go and have a holiday trip to France and learn a bit of French, students from the European Union still can't come in here. They would like to see us deal with some of the other issues that were trumpeted as benefits from fixing the Northern Ireland Protocol, like Horizon, but I'm hearing that the Treasury are playing hard-ball in terms of what should the financial contribution from the UK be for the first couple of years of Horizon, where we've been out of it, and you know should we or should we not pay 5/7ths or should we pay more or should we pay less. There's a lot of if you like squabbling going on in the undergrowth which is not helping the atmospherics, I think of making the relationship work a bit better in a post-Brexit world.

I know I've got to be brief Hilary and I'll shut up in a moment, I promise. The second thing I would say is that when I talk to my friends in Turkey and I happen to be a Director of a couple of British firms with substantial interests in Turkey, there because you know they are Customs Union, a sort of old-fashioned Customs Union and they'd like to have an upgrade, but not a Single Market and not EU, they see considerable potential for continuing to build on a booming bilateral trade and investment relationship with the United Kingdom. I mean they would like to join, or some days they think they'd like to join but won't for a while and we were in but we're now out, so we're both sort of in the waiting room, one on the way in and one on the way out. And that seems to Turkey, a country of 80 million people and a growth rate of 4-5%, even though we don't know how long that's going to last and there's very important elections coming up on Sunday and so on, but they see the potential for the UK to do more with them on the fringe of but not part of the European Union as very significant. And I think that's something that we ought to be able to build on with a country like Turkey and possibly with others.

And I think my last thing is just to say that I've never been a great believer that TTIP [ph 0:11:21.1] was going to transform the trading relationship between United States and the United Kingdom, I said it five years ago, you know it will make no difference, we don't really need it, we're the biggest traders, we're the biggest foreign investors in each other's country, let's not waste too much blood and sweat on trying to sort out an agreement which by definition would not be a very good one for either side if it was to be mutual and comprehensive. And I suspect that is the case with many of the free trade agreements that we have rolled over if you like from the days when we were a member of the European Union which give us if we're lucky about what we had before, but certainly not anything more, and have not yet come anywhere close to making up for the loss of international trade volumes in and out, but particularly out I think, with the European Union and other parts of the World.

#### **Paul Blomfield MP**

Thanks very much Peter. I probably not haven't got time to bring everybody in but I wonder if Iana you could offer a perspective and perhaps particularly reflecting on Peter's point that internationally people have begun to forgive us for perhaps the period of the Internal Market Bill, the Northern

Ireland Protocol and the potential lack of trust that those associated with that period, how do you think the World see us now?

**Iana Dreyer**

Well two things, I think yes there was a period of trying to figure out how the UK is going to land after Brexit, I think we are in the sort of landing phase and I think the UK has realised, started realising what its effective position is in the international trade world, which is now a small to middle sized economy on a global scale and overall rule taker. That's one thing. And I think the most interesting development in trade policy post-Brexit has been this joining of the CPTPP, I think there is a session there. But it is seen that the UK, it is not seen as something that would change the UK's trade realities significantly in any way. It's an interesting diplomatic move that might put the UK on a par with other very dynamic middle powers on the trade policy discussion, we'll get back to that later, such as Australia and Japan and Canada. But generally, I would say there is an impression of an eclipse. It's interesting and had the feeling that while in the EU the UK had a stronger voice on a range of trade policy issues and actually now one sees it for example in the WTO where the UK is active, I mean it's an active member, it sits on committees, the UK Ambassador leads currently the Environment and Trade Committee, it is active but there is a sense that its voice could be actually stronger, that there's some of its core interests that it could defend a bit stronger. So seen a little bit as having taken a little bit of a back seat and could do more.

**Paul Blomfield MP**

Many thanks. Lorand, have you got any quick observations to add to that?

**Professor Lorand Bartels**

Not really, I mean I think I'd probably just build a little bit on what Iana was saying at the end which is the UK's position and approach at the multi-lateral level. I think the UK is obviously a middle power, middle powers always benefit from multi-lateralism and what that means is not just warm words but it means binding rules and it also means dispute settlement and I think we might come onto this later on, but I think that is something that the UK could be a little bit more assertive about when it comes to dispute settlement because agreements aren't worth all that much if they can't be enforced and that I think is something where the UK has been a little bit slow.

**Paul Blomfield MP**

OK thanks and finally perhaps, and again briefly because I'm conscious I'm running out of time, Kati how do things look from Los Angeles?

**Kati Suominen**

Yes well I think in the US I mean UK continues to be considered as a champion of free trade and of the multi-lateral trading system certainly, you know the US is currently in a kind of impasse and with our own trade policy not much is moving and I'm not sure that the UK is able to necessarily affect what USDR is doing but certainly you will have Washington's ear always on trade policy issues and I think UK has a particular weight in digital trade issues, financial services issues, fintech issues where you have tremendous credibility as well around the World. So, I think there's a great opportunity to

shape the rules in these areas, particularly in trade agreements as they will evolve particularly in this area of technology and digitalisation. And then go uphold as colleagues were mentioning these agreements, whether it's through dispute settlement or effective monitoring of the implementation I think the UK can play a very credible and powerful role in that.

**Paul Blomfield MP**

Thanks very much indeed, I'd better return to the Chair now but thank you for those observations all of you.

**Hilary Benn MP**

Indeed, Paul thanks very much indeed. Next question is going to come from Stephen Farry, Stephen over to you.

**Stephen Farry**

Thanks very much Hilary and good morning, everyone. Just to pick up and follow on from the first question I just want to ask following on from Brexit how should the UK be looking to manage and develop its trading relationships with both the EU and other international partners. I'm conscious in asking this that the EU is still by far the UK's main trading partner but maybe growing slower, whereas other markets are growing faster but the UK has a very small trading relationship, so how should it manage and develop those trading relationships and how should it balance and prioritise between all of those. Perhaps I'll start with James and Laurence and then go back to others in that regard. So over to you James first.

**James Kane**

Thank you very much. I think what I would say on that question is that the future of UK trade policy has probably got to take a more, what I would call a more demand-led approach than it's taken up to this point. Since the referendum I think we've had a largely supply-driven approach to trade policy where the Government has sort of decided it wants to do trade policy and then has almost asked around after the fact to come up with reasons for doing it. Obviously some elements of trade policy have to be done but it's quite clear that the decision to do trade deals with say Australia and New Zealand was not business driven, and so what I would say in answer to that question in future about how the UK should be looking to manage trade with the EU and other partners, is fundamentally it needs to draw more from the people who are actually doing business with the EU and other partners to ask them what they want, to take a more, perhaps a more problem solving approach to trade policy. And I think there were some positive signs towards that in the speech given by Kemi Badenoch a couple of months ago about her priorities for trade policy when she did highlight this issue of looking at specific market access barriers, whether it's some tax in Venezuela, well probably not Venezuela the relationship is not terribly good at the moment, but some tax in some remote country that no one is particularly interested in from a political standpoint but which will help some UK company do an extra £25 million worth of business. That I would say should be the priority for UK trade policy going forward.

**Stephen Farry**

Sure, thank you very much James. And turning to Laurence.

**Laurence Turner**

Thank you. And Stephen as you say, the EU is still by far our largest trading partner accounting for 42% of exports and in the sectors where GMB represents workers there is a legacy from the refusal of the Johnson Government to cooperate on a sensible basis with the EU where there was a clear basis for doing so. To give an example from the chemical sector, the refusal of the UK to participate directly in the REACH regulatory framework is imposing an additional cost of around £1 billion a year purely on replicating functions that were previously engaged with direct relief through the EU and that's in a sector that already has significant energy transition costs to meet. So, we think that the 2025 review of the Trade and Cooperation Agreement should be seen as an opportunity to remove some of those ideological barriers to trade that are threatening jobs in the UK. And this means that the UK should be upholding and strengthening the commitments to a level playing field for workers' rights under the TCA, the so-called level playing field clauses. Unions in the UK are concerned that the Retained EU Law Bill and the Minimum Strikes Service Legislation Bill will violate these clauses by ripping up the hard-won workers' rights, many of which were instituted through EU directives in the first place, and of course we've seen just this week the news that the UK intends to remove Working Time Directive protections.

Outside of Europe the UK should be ensuring that trade maintains that level playing field more widely and is conducted on terms that promote good jobs and workers' rights and protects public services. We're concerned that the UK is currently trying to negotiate trade deals with countries that violate fundamental workers' rights, including launching trade talks last year with three countries that have recorded widespread abuses of workers' rights, including India, Israel and the countries represented through the Gulf Cooperation Council. More than a third of the trade deals already in place are with countries that are rated worse in the World for workers' rights by the ITUC, there is a real risk of a race to the bottom on employment standards, we think this is a race that the UK cannot win, but it can do enormous damage to our own economic prospects through the pursuit of that aim.

And finally if I might just touch on the points raised in the previous question, in terms of the UK's international standing, during the dispute or attempts from the UK Government to lift the Trump era Section 232 tariffs on steel and aluminium exports, we were given to understand that UK trade union engagement with our American counterparts would play a very constructive role, but for the negative reason that the American trade unions would get a hearing in Washington through the Biden administration that our own official negotiators could not. So, that's just one observation from the workforce side of trade engagement but it was a moment where the lack of the UK's reach during really critical negotiations for the future of those industries was exposed.

**Stephen Farry**

Sure, thank you Laurence. You mentioned there the Retained EU Law Bill, I should say as we're broadcasting here that we are seeing a bit of a rethink happening in that regard and we await further details so that's one certainly to watch today. In my remaining time we'll try to squeeze in both Iana and Kati if possible, so I'll turn to Iana please.

**Iana Dreyer**

Thank you very much. On the EU several things, the bilateral relationship, the TCA, I would say there is a lot of potential to fill the space that this TCA has given and some initiatives that were not taken

yet. There is a review of the functioning coming up in 2025, I'm working on the assumption that there is no return to the Single Market or the Customs Union in the foreseeable future. There are a few things that I would say would be quite important, one is for example join the EU Emissions Trading Scheme, join up like Switzerland does. It would really help avoid the UK being too much on the receiving end of the upcoming carbon border adjustment of the EU, so there are concrete steps like that where the potential is written in the TCA, the ETS joining is one of the options there.

We do see trade frictions, paperwork duplication in the rules of origin area. The UK could join the PEM, the Pan-Euro-Med system of rules of origin that harmonises rules of origin across the whole wider European area, that includes also EFTA [ph 0:25:29.0] countries, Turkey, Northern Africa, etc. So, these little stamps would be both diplomatically probably quite useful, a good way for the UK to focus on what's more important for its general trade policy and its economics, do something that is business friendly.

On the other side I would say that the UK needs to be prepared for a big storm coming out of the EU combined with the big storm that is coming out of the US in terms of trade policy at the moment. We are in very turbulent times geopolitically, the US-China rivalry is upending just about everything in terms of what we've grown up with, in terms of multi-lateral trade rules etc, so we have this subsidy war going on, on green tech [ph 0:26:19.7] and industry, electric vehicles where it's really striking to see how the UK has been out-competed, out-bid and the UK is not part of this big Trans-Atlantic dialogue, even very difficult, tough dialogue that's going on in frameworks such as the TTC, the Trade and Technology Council between the EU and the US. The UK is out of it, it has a bilateral dialogue with the US, but I don't have the impression that it is very lively, nor that it is a partnership of equals in that.

So, I think this is something that the UK needs to focus on as a whole of Government exercise and then try to find a voice within that, engage the EU strongly, engage the US and why not try to be an active third party in these conversations.

### **Stephen Farry**

That's great, thank you very much. And just quickly trying to squeeze Kati in as well, Kati thanks.

### **Kati Suominen**

Yeah thanks so much, well I mean you know the EU relationship is something unavoidable and it would be, they are your, it's a huge trading partner for you and it's very important obviously and you know I would say to pick up on Lana's comment, you know why not deepen this dialogue with the US also on technology issues, this might be much easier for Washington currently than dealing with Europe, but even though that's broadly positive also that there is the Trans-Atlantic Trade and Technology Council going on. But this is one area that is rather uncontroversial I think for US if we were to advance for instance digital trade policy issues with the UK, probably very like-minded partners and enjoy a great deal of support from US technology companies as well, if they want to say process to drive towards some sort of a digital trade collaboration, agreement between the US and UK and shape the rules of digital trade going forward. This is much more palatable also in the US than in deeper trade agreements which are not a go at the moment. And then I think deepening the engagement in Asia-Pacific where you have been very active and where I think the rules of the game and the modern trade rules are being written and where some very important dynamics are going on. You are now part of the CPTPP or will be, and then China the next wave of accessions will be very significant whether China can exceed the agreement and so forth and you can be at the table shaping those rules and I would say engagement there will be very important.



Something I saw some years ago back to the whole of Government approach is FCDO was supporting all kinds of engagements with other middle [ph 0:29:10.1] power countries, you are more than a middle power but for instance with Brazil and Mexico there were a number of programmes to promote trading and trade engagement between the UK and those large economies that are not insignificant in terms of trade and there was for instance a programme to support port modernisation and trade SMEs engagement in ecommerce with Brazil and I think that was extremely well received by the Brazilian stakeholders and bringing these collaborations together not only negotiating trade policy but also cooperating with countries to promote their own trade sectors is very good diplomatically if that then helps pave the way to deeper trade policy engagement, I think that's all good. I at least had a very positive impression of those programmes that you had through the FCDO.

**Stephen Farry**

That's great, thank you very much and I'm conscious that we overran there with time, but much appreciated to all of you, back to you Chair.

**Hilary Benn MP**

Stephen, thanks very much indeed. I'm now going to turn to Stephen Kinsella, Stephen over to you. Sorry you're still on mute Stephen. There we go. Now your mute button has disappeared, but we can't hear you. I don't know why that is. I think Stephen while you are trying to reconnect, I wonder if we could move to Geoff, Geoff Mackey and then we'll come back to you Stephen. Geoff over to you, thank you.

**Geoff Mackey**

Thank you very much Chair, thank you that's appreciated. Just to widen out the frame and I realise the challenge of trying to keep our remarks brief, the US and EU are both looking to implement extensive sectoral subsidies, I'd be really interested in comments about how the UK should respond to this. Kati, you first please if you may?

**Kati Suominen**

On subsidies, well I guess if these WTO obligations, then suddenly I think they met a look there and I guess one could raise these issues with some businesses as well and bring some lobby to bear but that's all I have to say on this, I may think about this a little bit further.

**Geoff Mackey**

Thank you. Lorand.

**Professor Lorand Bartels**

The UK is in a bit of a pickle there because what can you do? On the one hand you can try and enforce the rules, that's not going to go anywhere with the US because they've essentially opted out of the system, they'll just do whatever they want. With the EU I think obviously that goes a lot

further, there are binding rules under the TCA which are relevant there, so I think that that merits discussion and maybe even taking things further if there is actually a legal problem. The second thing you can do is you can throw your own money at producers and try and entice them to come or stop them from leaving. I think Ed Miliband is on the record a few weeks ago as having said forget about the rules, we should just match them, it's the new world. Well, this is beyond what I know but that requires money and I'm not sure the UK has that much money. I don't think it's probably in a very good position to be competing with either the EU or the US.

From a policy point of view obviously a subsidy race is a bad thing, it's well known that companies are going to be taking maximum advantage of these subsidies, playing them off against each other and so on, so you know I think that does need to be said. And then there's another option which is pragmatic, I mean as a lawyer I'm not a huge fan of this but it's pragmatic, and that is to try and buy your way into the subsidy schemes. I mean the EU is doing this with the US, Japan has done this with the US to some degree, I'm sure or at least I would assume that the UK is over there in Washington trying to become eligible for US subsidies as well. So, as I say from a legal point of view it's very far from ideal, but pragmatically it may be about the only thing that one can do with the US at least.

### **Geoff Mackey**

Thank you, that's really helpful. Laurence, how should the UK respond and by the way, if you've got a list, priorities please, what should we do first?

### **Laurence Turner**

Thank you and the points been made by previous speakers that there is international competition for capital, there's international competition for labour as well particularly in energy and engineering construction projects. We're building at the moment at great cost, rebuilding a skilled workforce through the Hinkley Point C project, there is already international competition for those skills and unless we can ensure a pipeline of subsequent projects and the investment which is now at risk of being attracted either to the EU or to the US, we will lose those skills in the UK which are essential for delivering on agendas such as carbon capture utilisation and storage. So, when we look at the sectors that are particularly important for manufacturing, energy intensive industries, making sure that we have that investment in our energy infrastructure, in carbon capture and hydrogen which is critical for decarbonising some of those particularly hard to electrify sectors and it's going to be essential.

One thing I wanted to just say which I completely agree with the comments that have been made so far. The UK Government's line seems to be that what Biden is trying to do in terms of domestic contents is really just playing catch-up with the UK, certainly at least in terms of the scales of subsidy which have been put in over the last 15 years into the renewables industry, but I think this is really missing the point of what Biden is trying to do, or the administration is trying to do. Biden came into the office with a campaign pledge to try to reform international trade rules, to allow some degree of domestic content requirement, it was never quite clear what was meant by that but now there's clearly a much more direct approach being taken. Our Ministers have been dismissive of this objective but the UK's alternative hands-off approach to subsidising development in these areas really has been a failure from an industry and jobs point of view, according to the ONS the UK has generated on a net basis just 11,500 new low carbon jobs over the last eight years. There are very few jobs in the operation of renewables and most of the components are produced abroad under exploitative labour conditions. I think by one estimate 95% of all solar panel modules that are sold may be tainted with forced Uighur labour, so at a time when well paid jobs in other industries are under threat as we go through a period of what could be quite difficult transition in some areas of

the country and in some sectors, there are I think and certainly there's support for this from within the trade union movement, respectable arguments for saying that where there's a compelling social and environmental case, which renewables would fall under, there is a strong case for extending infant industry protections to those areas so that we can at least build up a competitive industry in the UK.

The UK Government if there was to be a change of government and the Labour Party did say in the Stronger Together report which was published last year that it wanted to pursue a similar objective, this is something that we need clarity on now because the point has been made by the previous speaker, that this is an issue in the Trade and Cooperation Agreement, a lot of those core gap provisions are carried over, so if there is going to be a political objective to join with what the Biden administration is trying to do internationally, which we would strongly support, then we do need clarity about either the Labour Party or the current Government's negotiating objectives now in advance of 2025.

**Geoff Mackey**

Laurence, thank you very much. Iana, sectoral subsidies, and a prioritised response from the UK. What do you think?

**Iana Dreyer**

In fact, I would not add much more than what Laurence has actually said to be honest. I mean try to with the EU to make sure that it sticks to the rules that are agreed in the TCA as much as possible and if you can't beat them join them with a little bit pragmatism with the United States. It is striking that there is no talk of the UK yet being on the list of countries with which there is a potential FTA-like arrangement for critical raw materials and things like that. So, it might be good, it's all I can add.

**Geoff Mackey**

Thank you very much. James?

**James Kane**

Thank you. I would like to offer a slightly different perspective on these subsidies in that the effect of a subsidy is in general to transfer money from taxpayers in a given country to some combination of producers and consumers and whether the producers or consumers take the greater share of the benefit will largely depend on the state of the market. So hypothetically speaking at least, if you have a product, say a solar panel and the US and the EU are getting into a subsidy race in that, there is at least a plausible case for just taking the very cheap subsidies solar panels and concentrating your efforts and your own subsidies on other sectors which you can then sell to buy the solar panels. I think as Lorand has pointed out, the prospect of beating them is very limited, joining them might be a good option, but if neither of those work then you might be better off sort of taking your toys and going and finding a different industry where you could be more competitive and get the money with which to buy these now suddenly much cheaper products.

**Geoff Mackey**

Thank you very much James, that adds another conversation to some of the options. And as a last word on this one as regards priorities, Sir Peter, would you like to share your views?

**Sir Peter Westmacott**

Thanks. I mean just a quick addition, I agree with a lot of what Laurence was saying, it made a lot of sense. But I think that now that we are not part of the European Union it is quite important that the UK tries even harder to ensure that some of the swingeing trade penalties, sanctions that are applied by the United States, do not apply to us as they have in the past. We've all been through squabbles over aluminium, Scotch whiskey, shortbread, whiskey, cashmere jumpers, you know, all these have been subject to sanctions from United States even when we were in the European Union, and it took quite a long time to clean up some of those frankly discriminatory if not illegal subsidies. But I think that now that we're not there we need to ensure that that relationship works better. Gina Raimondo, the Commerce Secretary, is extremely high quality, British educated member of Biden's Cabinet and we should be engaging there to try to ensure that the UK gets fair treatment.

Second little comment I'd make and maybe this shows just how old I am, but I would quite like to see the UK's approach to the sectoral issues linked to an element of industrial policy, this used to be very unfashionable especially in Margaret Thatcher's days, but you know there may be more that we can do in niche things like cobalt refining rather than leaving that critical bit of industry for electric vehicles to the Chinese. It may be that there's more that we can do in aerospace where the French Government and the private sector are busy trying to ensure that the damage done by Covid to the aerospace industry was limited, and we've got a very important aerospace industry which is largely European by the way NPDA and Airbus here in the UK. There's a number of things that we could be doing which I would like to see part of a strategy which plays to the strengths that we want the UK economy to have in the future and I'm not yet convinced that that's what we're doing.

**Geoff Mackey**

Thank you very much, the question of the plan is always part of the conversation with some of the options we've heard discussed. Thank you again, Chair back to you.

**Hilary Benn MP**

Thank you very much indeed Geoff. I'm going to turn now to Charles Rose. Charles.

**Charles Rose**

Thank you, Hilary. We've heard a lot of the issues that are floating around in this area, but I was wondering what can the UK learn from other countries in order to maximise what it achieves from trade policy going forward and I'd like to direct that first to Iana.

**Iana Dreyer**

Thank you very much. When you look at countries that trade experts have started comparing the UK to in terms of its position internationally as a trading power, such as Australia, Canada, Japan, New

Zealand, etc what strikes me there are a few key differences. One of these issues is that obviously Canada, Australia, and these people they punch above their actual weight democratically. They know what they want, they have very strong business engagement, very good domestic support for what they're doing, mostly, they are very streamlined there, I think that is one thing. The other thing is that there is actually a form of diplomatic agility which I think the UK has the potential for. When I see that in my area of work a lot in the multi-lateral field in the World Trade Organisation right now what is going Canada, Canada convenes the so-called Ottawa Group on WTO, they have a convening role, Ottawa is [inaudible 0:45:19.7] so they're not putting themselves out there but they are convening people and this group comes up with ideas to reform procedures in the WTO etc. The UK isn't there, but Canada has taken this initiative to host and it's offering this forum. Japan and Australia, they are [inaudible 0:45:44.1] holders for a critical, very potentially very important agreement that is being negotiated at the WTO on ecommerce or digital trade if you want, and there are about 85 WTO members, perhaps it could see the daylight, perhaps not. But they're the ones holding the pen, convening the meetings, presenting the agenda, preparing the draft text, etc. So, there is an influence that is soft power type of influence that is being played there and [inaudible 0:46:15.5]. Korea and Chile is a small player but also one of those you know punch above your weight small players, Korea and Chile do the same for an investor facilitation agreement with among 110 or so WTO members that has been negotiated and it could be the next deal that is announced in the WTO.

Dispute settlement I think that's a point that Lorand Bartels raised before, why is the UK not taking any stronger stance on the need for a strong dispute settlement system, potentially restore the appellant body, why has it not joined the alternative appeals mechanism that was set up by the subset of countries including the countries that I've mentioned before. Sort of these middle powers, who've got ... I don't know what the UK is doing if it is trying the WTO not to rock the boat with the US or China or whoever on a range of topics, but these countries are in a very strong alliance with the United States and they have made a point even vis-à-vis the United States on showing their disagreement on what has been done to the appellant body which I remind was sort of choked off because it is the US that has vetoed the appointment of new members to replace outgoing members, so the system is partly paralysed.

So, I would say that, know what you want, set your priorities, be bold and play your role, fulfil that space as being one that is not a threat and one of those big powers, immediately anything you do is controversial but show a stronger presence. That is something that strikes me personally as an observer of what's going on at the moment.

#### **Charles Rose**

Thanks, I think you've highlighted a lack of clarity in terms of objectives here. I wonder if I can ... are you OK to take this question on Peter?

#### **Sir Peter Westmacott**

Sorry, say again?

#### **Charles Rose**

Sorry I was coming to you; I saw you coughing, and I wondered if you were OK if you could add to what the UK could learn from ...

**Sir Peter Westmacott**

Well, a tiny bit, not a lot to add. I think what Lana was saying makes a lot of sense. I would just add let us try to be pragmatic and not ideological in terms of our approach to international trade. I mean the stuff about the bonfire of EU regulations you know; we probably really need a bonfire of the additional red tape that we've created as a result of Brexit rather than the other way round and I'm glad to see Kemi taking a more pragmatic attitude towards that, you know let's look seriously at which rules need to go and which ones don't. She was getting a bit of grief from the ERG on that, but I think that is a good sign. And I think look what the others do, be clear about your priorities, maybe a link to some of the industrial strategy, do listen to the sectors that matter, don't throw away your agricultural industry without listening to the farmers about what they want, they were betrayed I'm afraid by Brexit, that's what my farmer friends tell me, so listen to them when you're talking about agricultural negotiations.

So, I think that's part of what it's about. And the other thing is work out what your end game is, I had an amusing conversation not long ago with a recently departed Iranian Ambassador believe it or not, who said to me the problem with you Brits is that you're terrible negotiators, and I said you know what nonsense, how can you say such a thing, we're brilliant kind of thing, and the answer was no, the trouble is you set out your finishing line in your opening statement, you show no flexibility and you leave yourselves no room for flexible compromise in order to get a deal that everyone can live with. I thought about it a bit afterwards and I thought well it's not entirely true, but it wasn't entirely untrue either. So, I think we need to take account of what others need in a serious negotiation and be realistic about what the eventual outcome is that both sides can live with.

**Charles Rose**

Thanks very much, I think that adds nicely to it. But I'm going to ask this, if I can move this to Laurence, please and to see what you say from the trade union perspective.

**Laurence Turner**

Thank you Charles and keeping it brief, we see two very enviable in a different way examples, the first from United States where the Biden administration has said both in words and in practice they'll pursue a worker centred trade policy, GMB was in the United States recently meeting our counterparts among the American unions and also some administration officials and it's clear that that consultation and cooperation is really meaningful and the appointment of Catherine Tye as Trade Representative, someone who is respected amongst CAFL CIO was an important moment. And on the European Union side there is a very different culture of social dialogue, if you compare the UK domestic advisory group on the Trade and Cooperation Agreement where the trade unions are in the room, but we've got a couple of seats next to the fire escape compared to the EU DAG which is constituted on a genuine tripartite basis between employers, civil society, and trade unions. The contrast is apparent. Worker voices are frozen out of the UK's thematic trade advisory groups and there is very little formal consultation happening outside of those groups due to the change in the machinery of Government as the DPT has set up. And having been in some of those meetings, and I mean this entirely seriously, on the UK side I think some trade union perspective on the scrutiny of internal consultative structures and the winning of contested elections would have been an advantage. So, there is a risk I think that the UK will end up being seen as an anti-worker odd man out between our two trading powers and blocs that account for 60% of exports.

So, in terms of international comparators, having workers in the room properly consulted, the UK now is on a bit of ... it's an outlier in terms of the approach and we think it is damaging to the national interest.

**Charles Rose**

Thanks very much, does anybody else have anything to say on this particular matter of what we can learn from others before I pass back to the Chair? Anyone else, Iana?

**Iana Dreyer**

Yes, maybe to add onto what Laurence just said, I mean what is very striking in the UK generally how weak Parliament is and how weak general scrutiny is of the trade policies, I mean I'm not an expert on domestic advisory procedures etc, but any normal democracy gives the genuine power to a Parliament to actually give authorisation or ratify free trade agreements. Any normal democracy allows a Parliament to scrutinise the process properly during negotiations. And what actually evidence shows is that this actually strengthens the negotiating hand of a country, if you tell your trading partner, listen you want totally open beef markets maybe you are ideologically inclined to totally open your beef markets, but you also know that you know controversial agreements tend to not stick in the end, so it bears trouble, it only postpones trouble later. So, if you don't build in ... if you try to build compromises and build in as many stakeholders within your country, particularly Parliament, I think you have actually a better negotiating hand in international negotiations.

**Charles Rose**

Thanks very much, with that I'm going to pass back to you Hilary.

**Hilary Benn MP**

Charles thanks very much indeed. Now I'm going to turn to Stephen Kinsella, Stephen.

**Stephen Kinsella**

Thank you Hilary and I've got my sound back.

**Hilary Benn MP**

You have indeed.

**Stephen Kinsella**

I have, and it means that my question is now slightly out of sequence, but I think actually reflecting on some of the discussions it might work better for that and just a heads up, I'm going to address it first to James, then to Peter and Kati and then bring others in if there's time. But when we step back and we look at the ongoing and the recently completed FTA negotiations and such as obviously the CPTPP which has been mentioned a few times now, is it possible to reach a real conclusion on what

the UK has achieved through these processes and how important both substantively and in terms of our standing are these agreements, I mean as Sir Peter said that we are, the UK is seen as being in a period of relative decline, but are we, notwithstanding that at least in a good position to benefit from the opportunities that these deals might create. So, James, not last or least, to you first.

**James Kane**

Thank you, I think my answer to the question that you started off with is no, it's not possible to know whether they have done much good or not yet. The only one of the deals that the UK has done that is in any way new is ... that's already in force, is the agreement with Japan, that is very new, made some minor changes to the chapter on ecommerce and digital. And as far as we can see from that it doesn't seem to have done much good because UK trade with Japan is down in fact compared with where it was before 2020. The agreements with Australia and New Zealand are supposed to come into force this month I think, certainly soon at any rate, so I would say it would be very, very difficult to get any kind of idea as to whether the UK's trade policy has done anything useful or not. At least for probably a couple of years if not kind of five plus years after the first of those new agreements come on. And CPTPP of course is further off yet, the ratification process for that I don't think has even begun in any of the members, so we're talking probably a year or so plus before it's ratified, longer before it comes into force and then even more time before we can get a clear idea.

In terms of standing in the World, I think you can say that the UK has established itself as a trading partner, it's got an awful lot of free trade agreements, albeit that lots of them are transitions of one that it already had as a member of the EU. But it's done a lot of deals, what I have heard from people who have negotiated against UK negotiators is that there has been a growing competence on the UK's side, that they find that they are getting plausible negotiating positions from them, so it's definitely established itself, but in terms of doing what trade deals are at least in my view there to do, which is to make people in a given country better off, it really is impossible to say yet. I mean we could make all the models in the World, and they lead you in the direction of it probably won't do much one way or the other, until actual data becomes available, I think that's probably as much as we can say and that could've been said many years ago.

**Stephen Kinsella**

Well thank you James and turning to you Peter, if you agree with, I think everyone will agree it's very early to say but are we addressing that perception at least of our openness to trade and do we have an answer to your Iranian colleague?

**Sir Peter Westmacott**

It is a bit too early to say whether we've benefited very much from the largely rollover of trade agreements that we've been doing which we were just talking about before. And of course, one of the problems is that for many years trade agreements were outside national competence so we didn't have people who knew how to do this stuff, it was all done by the Commission on behalf of the 28. And I do recall that during the great debates in 2016 and so on, one of the objections that some of us would raise was that when you want to come to negotiate as a trading partner you're going to be much stronger as one of a bloc of 28 than all by yourself where you haven't got the same leverage, you haven't got the same negotiating power, quite apart from the fact that you've lost the expertise. And that's why I think our principal negotiators have been borrowed from Australia or South Africa or New Zealand, I can't remember now where. But I think we're raising our game is what I hear that we're getting much better at it, as others have been saying. And we need to because



there's been unfortunately rather too much pretence going on saying that these new agreements where we rolled over essentially what we had before, got a bit more, a bit less, that these are transforming Britain's prosperity in the World is rubbish. You know, I'm afraid they're not. The best they're doing is keeping us afloat just about where we were.

If we're really going to make a difference, I think we've got to be a bit more sector specific, a bit more strategic. We have got to try and sort things out with America, but as I was saying before I think the TTIP negotiations petered out and to do it without the clout of the rest of the EU for the UK by itself will be difficult. You've got to deal with all the bi-America legislation, you've got to deal with the problems of the defence sector, you've got to deal with the problems of agriculture, you've got to deal with the anxieties about chlorine washed chicken or about beef hormones, it's super difficult in a number of those sectors. But by all means let's try, probably not comprehensive but let's see if we could make progress in specific areas where we've got a real interest in trying to develop our own capabilities and where if we can sit down with like-minded governments there is a need for liberal democracies to develop their own capabilities possibly in conjunction with each other in partnership with each other, defence is another area by the way where we could do so much more with France and possibly America, though America can be sometimes quite protectionist in that area. We can do stuff where we will be in a better position than we have been in recent years where we have become very much the client state of people who are making us stuff we need at extraordinary low cost, partly because we gave them a pass through the WTO rules, and as a result there's been a degree of hollowing out of some of our manufacturing, if not of our services.

So thinking a bit more about what we can do, where we've got the skills or developing the skills where they're short and where we've got partners with whom we can engage in order to try and make a difference in those areas where we do not want to be totally subservient to state-run economies with a great deal of clout and a great deal of pressure pushing us out of business if you like, and of other markets. I think that's what it's got to be like, but it takes a good deal of time, it's got to become a higher priority for Government, but we've got to be realistic as well about making a difference, rather than rolling over an agreement and pretending that it's transformed the price of eggs when it hasn't.

### **Stephen Kinsella**

Yes, thank you. It's striking isn't it the main impact we've had is on the cross-border trade in trade negotiators, maybe we need to be a bit more ambitious than that. Kati, you mentioned a couple of times in your opening remarks the CPTPP, is it right, is the answer for the UK to the problems caused by leaving one trade bloc to join another trade bloc and are people right to pin as much hope on that as some are?

### **Kati Suominen**

Yeah, I mean probably the economic impact as colleagues have mentioned is much less relevant than being part of the EU, but clearly I think it's a very important move in terms of the UK being able to be in the room as Iana was suggesting and exercise kind of agenda setting power in the CPTPP and in the other trade arenas in Asia Pacific where I think the future of digital trade rules in particular is being negotiated and shaped, you are now around the table and thinking about what the CPTPP [inaudible 1:03:35.8] will look like which would shape other trade agreements as well as deciding as to who will get into these agreements and that's a hugely important issue when China is not playing at all by the rules in the digital area and the other areas of trade, yet is seeking to get into this agreement. And Japan, Singapore and others that were mentioned have been behind the scenes seeking to ensure that China is not part of this agreement, and ensure that countries like Vietnam

will implement the agreement, so that China doesn't have an excuse to say that there is a country that is not implementing its commitments either, why don't we get in. And there I think UK can play a very important role in that arena and in those discussions, which will have global repercussions in terms of what is going to be considered as part of trade policy in the area of digital and technology and ecommerce and then how should we enforce these commitments that countries take on, will they be relevant at all, are they just paper agreements that are not implemented.

So this is I think a very important way for you to step up and exactly do what lana was saying, have this agenda setting role and fiercely protective the role of the global and regional trading system and the rules of the game so to speak, with countries like Singapore, Japan, Australia that were mentioned before that are active in the CPTPP arena on these issues as well as the WTO. And you know perhaps there's an interesting kind of role we've been talking about workers and been talking about ecommerce and this and that, but you know there's also huge interest around the World and I'm sure in the UK as well in promoting small businesses, SMEs in international trade, and perhaps you know this is an area that UK could also one way or the other champion. No country has really figured out how to effectively bring SMEs into all these trade discussions and promote the SME trade and of course everybody is trying and at least kind of paying lip service or what have you, so that could be another thing to pursue in the Asia Pacific where governments are really interested in these kinds of things. So yes, I think CPTPP if you can shape the rules and then ensure that the agreement is well implemented by those countries that are part of it that would be I think very, very important for the UK and another step towards a direction of establishing yourselves as the leaders in trade policy discussions in Geneva as well as in other fronts.

So, in that sense I would say that trade agreements have been very useful to get you in the door.

### **Stephen Kinsella**

Thank you for that, and lana, I saw you nodding at smiling at that, did you want to come in? No. Before we finish this maybe Lorand, and Laurence, I was thinking of the SME argument, you could obviously make the same arguments about the need to get the trade unions involved, I'm sure.

### **Laurence Turner**

Yes, thank you. So, the UK trade unions have opposed the UK's membership of the CPTPP and that's partly due to the weakness of the labour chapters within it. You only have to look to Vietnam as an example of a country where free trade unions freedom of association despite being part of the core ILO declarations which in theory all members of a treaty subscribed to are in effect banned in that country. I completely understand and as trade unionists in particular Kati's point about getting through the door and seeking to shape and strengthen those rules, but we don't see any evidence from the UK Government that there's a willingness to do so.

If I might, on the Australia trade agreement, this is something that's quite interesting to us in terms of the trade offs of what the UK has negotiated and I think this goes back to lana's point about trade offs and the risk of unintended consequences, particularly if they're not done in a coordinated way. As I understand it the main advantage for the UK from the Australia trade agreement is the zero rating of tariffs on Australian exports and imports but that is already from a very low base, whereas the extension of visa arrangements for UK workers in Australia will have a very significant consequence, particularly for public service workers. We are already facing a significant labour drain from the UK to Australia which thanks to UK Government public sector pay policy can just offer much more attractive pay, terms, and conditions. So, on the face of it a nominal advantage, an eye-catching but maybe not substantial advantage for the UK, we think has been traded for something which is

going to deepen the very real problems that we have in our essential public services. So having a clear view of what it is that we're trying to achieve and also the risks of some of these trade offs is something that we don't think we're getting at the moment from our Government.

**Stephen Kinsella**

Yes, I think it's a timely reminder of the employment angle because I think we've all seen these adverts from Australian States targeting very specifically targeting UK health professionals. Lorand finally you haven't had a word on this, did you want to come in on this? I should say by the way I'm targeting you with the next question.

**Professor Lorand Bartels**

No that's fine, thanks. I think I agree with what's been said with maybe a qualification on what was just said on labour in CPTPP. But we'll come onto that, I guess.

**Stephen Kinsella**

Yes, Hilary would you like me to run into the next question or do you want to take it back for a Chair's remark?

**Hilary Benn MP**

Now I'm having trouble unmuting, just carry on Stephen.

**Stephen Kinsella**

I will, thanks Hilary, I thought you were just teasing me there. So, heads up again that this question I'm going to address this first to Lorand and then probably to Lawrence and Iana. And Lorand by the way it's good to see your backdrop, I think we last met in Trinity Hall some years ago. If we shift our focus a bit to sustainability and when we look in particular at the WTO rules on environment, on labour and corporate interests, do you think those rules do enough to provide a basis for sustainable global trade and if you could identify any changes that you might like to see made, what would those be and are they achievable in any realistic timeframe, and I think from your opening remarks I can probably guess that you are going to mention dispute settlement in your response.

**Professor Lorand Bartels**

Yes, thanks, so no I mean the answer to how things look in the WTO I think is clearly no, and what you can do in the WTO in terms of sustainability using that term to refer to environment, human rights and labour is you can block trade essentially when you've got a legitimate interest in these issues. Now that works OK and maybe when you're talking about the worst types of human rights violations, forced labour for instance, you can block trade as a means of trying to achieve those objectives or make sure that you don't participate in those poor practices yourself, it doesn't work very well when it comes to the environment because the starting point is, with the exception of climate which affects all countries, you're only allowed to protect your own environment and so in any event this ability to block trade, to exercise a right to block trade is a fairly, it's important but it's

only one part of the puzzle. And I should say the Fisheries Subsidies Agreement which may well come into force at some points, it's gaining some signatories, but it's got a long way to go and needs another hundred, that is a bit of an exception to what I'm saying because that does target sustainability directly, but otherwise I think what I'm saying is pretty much right.

Where you can see that it's not enough is precisely in FTAs which go an important step further and that's what the so-called level playing field obligations are all about. So essentially what they are, they come in two forms, one is building in international minimum standards, so ILO conventions and you say that these standards must be maintained, so you don't see anything like that in the WTO, there's no obligation on the part of any WTO member to abide by ILO conventions. You do see that in all modern FTAs and the UK, it was the US actually who came up with this idea by the way, then transferred a bit to the EU and now it's spread further.

The second way that this works is what we have come to call, though it's not a great term, it's not really all that accurate, non-regression clauses where it's essentially targeting existing domestic law and you say well we're not going to lower those laws or partially apply those laws in a way that gives a trade advantage to us, you know the obligation, and you conceive of this as a sort of regulatory subsidy, so you're not allowed to force your companies in a certain sector to bear the costs of complying with these laws if that gives them a trade or investment advantage. That sort of provision doesn't exist at all in the WTO, what's important about all of these provisions is that they are these days enforceable, even the EU has changed its mind and is making them enforceable. The UK has done a good job there and has made them enforceable and they are also enforceable in CPTPP, so I'm a little bit, well let's say curious to know why Laurence thinks that those provisions aren't strong enough, I know from the Canadian point of view they think that's the gold standard when it comes to enforceable labour standards. So, I think it's actually quite strong, I should also say in my TAC [ph 1:15:07.3] capacity that the UK has been a world leader in adding animal welfare to the list of level playing field obligations with varying success with Australia and New Zealand, but that's very much a UK interest I think as far as it goes also a UK success.

### **Stephen Kinsella**

Thank you, and Laurence not only because the question cites labour as one of the things we're looking at but also because of Lorand's question and response to what you said about the CPTPP, what is the particular labour reservation to the current structure and looking forward which is what the question invites us to do, what would it be that you would like to see added?

### **Laurence Turner**

Yes, and it's interesting to hear, and thank you for the question, the point around animal welfare at the end of Lorand's contribution. I think we would join with the very simple point that if those enforcement clauses have the strength that we would like them to see then we would have free trade unions in Vietnam and we would have that freedom of labour association, and the question of China's accession to the Treaty would not be as advanced as it appears to be.

The development of enforceable mechanisms is something which is positive and that we welcome and the point around the absence in the WTO arrangements for the ILO conventions I think is well made, but we need to see it in action and at the point where we can look at a nation like Vietnam and other countries where, we talk to our international colleagues in other trade unions and have a good understanding of some of the very real State oppression and challenges that worker organisation which we see as essential for driving up labour standards, not just from above but from below is not in place and is not effective, so I hope you'll forgive a degree of scepticism but at the

point where we can see those tangible differences being delivered, I think there would be a greater acceptance and support for those mechanisms amongst the UK trade unions. But I should say that this is a TUC position that's being reflected and I'm sure that TUC colleagues and other affiliated unions would welcome a further discussion on those points.

**Stephen Kinsella**

Lorand, you wanted a quick response to that.

**Professor Lorand Bartels**

Very quick, on the enforceability of these labour provisions and Vietnam's compliance with these rules and it's not my job here to say anything about what that compliance is, you need someone to bring a case and clearly a case hasn't been brought. If the UK joins CPTPP then the UK is in a position to bring a case. That's the measure of enforceability and that's how you get countries to comply if they're not already complying.

**Stephen Kinsella**

With these sessions it's always particularly interesting when we start to get a debate between our panellists, that's sometimes when it really takes off and I think it's good to remind us also because what we're looking at with these sessions is what the UK can do and I think that's an interesting comment that maybe the UK coming in could be more active and could perhaps bring some cases. So, looking at the other three who haven't spoken yet and conscious of time, is there anybody who'd like to come in at the moment, just wave at me. I think that's been very good and we've caught up with our time again, so Hilary if I could pass back to you.

**Hilary Benn MP**

Stephen thank you very much indeed. Now, Charles back to you for the next question.

**Charles Rose**

Well, I think I'm going to ask people to set out some of their destination points in contradiction to earlier evidence, but what sort of principals should the UK simply not compromise on as part of the trade deal negotiations in order to achieve its priorities, if indeed they are established, and to conduct responsible trade agreements. I'd like to push this straight to Lorand if that's OK?

**Professor Lorand Bartels**

Thank you very much. Well, I mean I can't speak for the UK and its trade priorities, but what I think it might consider based on what other countries are doing and what would generally fit, I think, the UK's declared economic and foreign policy interests would be, again not to sound too much like a one trick pony but it needs rules, and it needs the rules to be enforceable. I am not really sure why the UK's position on certain types of rules in free trade agreements is that it doesn't want these rules

to be enforceable, it is an FTA, so it carves out enforceability from SPS rules which is sanitary and phytosanitary measures, basically food. I don't know what the advantage of that is to the UK, it should be complying with those rules, shouldn't be scared of anything and it's got an economic interest in making sure those rules are complied with by countries to which the UK is exporting. So, I don't understand that. Other countries prefer those rules to be enforceable. That's one thing.

The other thing is of course as Lana and I mentioned before, WTO level dispute settlement I think is important but let's leave that. Then I think a broader point which will align more with what Laurence is saying and this again it's a question for the UK as a policy matter, but the trend is not only in free trade agreements, in trade policy, not only to pay attention to labour and environmental stands but also human rights standards more generally, the EU has a very evolved policy on making sure, and again it doesn't work perfectly but the policy is there, of making sure that trade is conditioned on human rights compliance. It goes broader than just labour standards compliance. The UK's position on this has changed a bit over the years and I think that's something which may well be worth consideration, it is something that is becoming more and more important, but I say that as a policy matter and in a comparative sense, there are obviously if the UK is going to be very pragmatic about its economic interest then maybe that takes a back seat and it's not my job to say whether or not that's good or bad, but that's just to say that's something that's on the table for other countries. Dispute settlement to me is a much more obvious point that I think should be taken as seriously as possible.

#### **Charles Rose**

Thank you, Kati do you have anything to add on this?

#### **Kati Suominen**

Yeah, I would say just to echo what Lorand is saying about the rules being enforced, it's very critical that this is a non-negotiable right that everything that is being negotiated is, nothing is carved out basically and everything is enforced and whether that takes the shape of dispute settlement or whether that may take the shape also of kind of a process that can be pursued with partners in trade agreements such as ongoing monitoring of countries, compliance with provisions, I think this is very critical and then of course I would say something that is not really necessarily thought out to well yet but the evolution of agreements, how you can actually ensure that these trade agreements are evolved over time and there are rules of the game placed with trading partners that enable this kind of ongoing revision and development of new rules as well, as technology changes, trade is changing and digitising very rapidly. I think this is very important as well that we have ways to kind of treat even kind of soft non-binding commitments initially and then learn from that and keep evolving and perhaps the UK can be a leader in that arena.

And then of course some of the key aspects that have been part of the trade agreements for ever and ever which is deep market access striving to very low tariffs or zero tariffs, as fast as possible obviously and then having these commitments on investment, on trade facilitation, on services trade and the kind of full package approach I think is very important because they are very complementary rules when adopted together for instance in the area of services and investment and digital trade, they compliment each other and we actually have done some empirical work that tries to show that, so that's another area I think these can be packaged deals as well.

#### **Charles Rose**

Thank you. I think that takes us to the need for flexibility in this but let me turn now to Laurence please and see if you have a perspective on this.

**Laurence Turner**

Thank you. I won't go over the importance of not compromising on labour rights because I think it's been covered during this session. I think it's important in this context to talk about trade defence as well. The Trade Remedies Authority is an important and still maturing part of this picture, and the UK made the unusual decision to include an economic interest test as part of the TRAs procedures and in effect this means that even if there's a finding that there has been a trade distortion that the remedies may not be applied if there's a wider economic interest in doing so. There's an obvious subjective risk here of trade offs being made against domestic industrial interests and this goes into the age-old dilemma of between domestic jobs and potentially lower prices for consumers. But it's not difficult to see how diplomatic pressures could become part of that picture. And we've seen over the last two or three years just how hollowed out the UK's manufacturing industrial base is and although it still accounts for 8% of GDP and we have still some world leaders amongst individual firms which tend to be wage leaders as well within the UK economy, there has been a more general shift towards lower profit margin outputs within the UK manufacturing sector and you could see that through the decline of the traditional manufacturing wage premium, so there's a commitment from the Labour Party to look at Trade Remedies Authority reform but we would say that the need for a more consistent approach to trade defence and not having the UK seen on the international stage as a potential weak link for the dumping of artificially subsidised goods is an important part of the conversation.

**Charles Rose**

Thank you. James, can you add to this?

**James Kane**

I think the question is still what principals should the UK not compromise on, is that correct? Yeah, I think like Lorand I'm not going to say what principals the UK should or should not compromise on because I might have my personal political views on those, those aren't relevant to why I'm here. The one thing I would say is the UK should not compromise on any principals which it hasn't decided to compromise on, which might sound a bit circular but one point which I made in a paper I wrote on regulation and trade policy about two years ago now was that the decision making structures in the UK and in particular the postponement of hard decisions till the latest possible moment and to the highest possible levels of Government presented a serious risk that the UK would end up making compromises that were not fully thought through or that were based on a desire to secure the publicity benefits of getting the deal over the line by a given arbitrary deadline. I think that came out to a certain extent in the Australia trade agreement which did go very, very far, much further than most [inaudible 1:28:58.9] including inside Government had been expecting in terms of tariff concessions on agriculture [inaudible 1:29:06.8] was a good thing is not something on which I am prepared to express a view, but I think the decision on whether it was something that the UK should do or not could have been better taken [inaudible 1:29:21.5] was communicated to the other side.

**Charles Rose**

Thanks very much. Iana or Peter, do you have anything to add to this?

**Iana Dreyer**

Thank you, I just wanted to add without having a specific what the UK should do view on this is that I just wanted to point out that we are in a world increasing where issues of national security of great salience and trade policy are increasingly intertwined. We see that right now with the whole discussion that the EU and the US in particular are leading, but other countries as well, on the critical dependencies, import dependencies, critical raw materials, we mentioned solar panels, the risks here to be exposed to export controls, sort of in paradox I would say what you don't want to compromise is your national sovereignty, saying that as someone who has actually on the record saying that leaving the EU was not a good idea, precisely because I thought it was actually an amplifier of national security in a very paradoxical way. But right now these are the big issues, we are in a game of big geo-political rivalry and I think it's good, it would be good for the UK to have really integrated thinking about its trade relationships, its investment relationships, its national security and how this works together so that it is not vulnerable to any form of blackmailing by bigger or more hostile powers, whichever they are and they can change as well over time. I wanted to throw that in without giving content, thank you.

**Charles Rose**

Thanks. Peter, do you have a last comment on the issue of principles that we shouldn't compromise on?

**Sir Peter Westmacott**

I don't think I've got anything to add, I think the list that people have gone through is the right list. When you should, when you shouldn't compromise, each negotiation has to take its own course. I rather agree that whether it's on trade negotiations or something else, a negotiation which has gone down to the wire when everybody is exhausted on a third shirt summit and when the deal has to be struck in the early hours of the morning at the highest level by people who may or may not be master of the detail is not usually the best way of getting a lasting agreement, so I think I go along with the comment that was just made on that point by James. But no, I've nothing to add on the principles.

**Charles Rose**

Thanks very much and with that I'm going to hand back to the Chair, over to you Hilary.

**Hilary Benn MP**

Charles thanks very much indeed. Right, I'm now going to turn to Tamara Cincik, Tamara off you go.

**Tamara Cincik**

Thank you Chair. How can the UK best position itself to negotiate trade deals effectively, for example in terms of domestic policy, regulation standards and labour? Laurence, and Laurence, I think you



answered some of that in part in previous questions, but I think it's worth repeating as succinctly as possible because of time but I think it is a very important aspect of this.

**Laurence Turner**

Yes, thank you and I'll do my best not to repeat myself and I think most of the points that I want to make in response to that question have been made in discussion including by other panellists. I would just return perhaps to the question of regulatory alignment with Europe. We already see in some of our sectors both the problem of regulatory duplication and the cost that that is imposing on our industries and apologies because I think my internet connection might not be holding up so well. But also the start of divergence with those regulatory standards, including in fields like health and safety, which then poses a threat to our ability to export, so I think it's probably a sector by sector question but it maybe feeds into the wider point around the need for domestic political and policy stability after the windows of opportunity that we've had in recent years for striking that new relationship with Europe that I think all panellists have said that we need, has been undercut by interventions such as the Northern Ireland Protocol bill, so there's a narrow point there maybe about regulation and a wider point around stability, but I'll leave it there, thank you.

**Tamara Cincik**

Thank you, Laurence. James, you also mentioned your policy paper that obviously has highlighted some of these issues as well, so I do sense a slight repetition, but I wondered if you had anything else to say.

**James Kane**

In terms of the best position from which to negotiate trade deals effectively, I suppose there's a process position from which to negotiate trade deals effectively which isn't really I think the issue that you're getting at, there's do you have enough trade negotiators, are they adequately trained, do the top levels of government have an understanding of trade of what it means, what it matters, how it fits in to the UK's overall strategy. I think that there is that angle as well. In terms of the issues you talked about, like the domestic policy issues of how they put you in a position to negotiate trade deals, I almost think that's looking at the question through the wrong end of the telescope so to speak, trade deals fundamentally serve the domestic economy, you don't restructure your domestic economy in order to do trade deals, so I think I would go back to what I said much earlier at the start which is the trade policy the UK needs to be much more demand led to look at what is the shape of the domestic economy, both now and as Sir Peter was saying, as we would like it to evolve in future in accordance with some sort of strategy and work out trade deals that correspond to that. I think one useful comparison here is probably Singapore which is very different from the UK in a whole number of respects, but has pursued a number of quite successful industrial strategies by taking a whole Government approach, so back in the last 1980s for example the Singaporean Government came to the conclusion that it would like to develop a strong biotech sector and so put a lot of resources into creating conditions for that sector to evolve, even down to the Education Ministry instructing school teachers to push children towards biology, when they might otherwise choose physics.

**Tamara Cincik**

James, does that not hint at the fact that there hasn't been a holistic strategy because that's been my sense of speaking to previous Ministers, civil servants, there hasn't been a vision of what it is that we want to do, how do we want to execute this and where do we need to go to get it.

### **James Kane**

Completely, I would entirely agree with that. The Institute has been saying since 2017 that the UK need a strategy and I think I would say as well that that trade strategy needs to be one component of an overall strategy for the domestic economy. Whether you have a White Paper that says this is the domestic economy 2030, is a separate question, but you do need, the Government does need a stronger vision of what it would like the UK economy to look like in 2030 or 2040 and trade policy needs to fit into that.

### **Tamara Cincik**

Yes, I agree with you. In my industry, the fashion industry, when we were leaving the EU we had Make it British telling us they'd had over 80% increase in people wanting to onshore because we don't have the garment workers, I begged Government to shore up the training for those garment workers from the UK domicile workers because most of them were from Lithuania and have located back to Lithuania or to mainland Europe, they haven't done that and now the orders have dropped off. So, it's a lack of seeing a vision and following it through, but I think I would welcome a White Paper from you James perhaps of where we need to be in 2030. I just wonder if any of our other evidence givers have a point for that question, because I've answered it myself which is not really the point of it really. Lorand, over to you, thank you.

### **Professor Lorand Bartels**

So, I'd like to say something about how trade agreements are received in the community. And I think that this relates very much to what has been said before including recently by Sir Peter, you don't want to come up with new obligations at the last minute because these will not be easy to implement, and you might not have a very long-lasting agreement. So I think its important and it's an educational process, I don't really know how one would go about doing this, and maybe it needs to be a bit reactive, but I think the Government should be prepared for negative reactions of people in the country when they realise that trade agreements involve trade-offs, it's not just about taking advantage of export markets in other countries, it is also about the negative side, they're not even side effects it's the whole point of trade liberalisation is that people will lose their jobs, I mean that is the point. They might get new jobs, but they are going to lose their jobs, that's why trade agreements are signed. It's not easy obviously for Government or Politicians to declare that, it's always about exports, but I think people need to be prepared, there needs to be some realism about what trade agreements are like and part of that involves the idea that trade can lead to an undermining of domestic standards which is why the TAC [ph 1:40:14.9] was set up and I actually think if I can take the opportunity here to say that's been in my experience a unique type of body which is independent but has Government support worldwide in terms of scrutinising free trade agreements, but it only has a very limited remit, I'm not saying we should have a greater remit, there might be other TAC-like bodies could be created to look at other implications of trade agreements and to be able to disseminate information about that so that people know what they need to be

worried about and they also should know what they don't need to be worried about because there's also a lot of misinformation and unnecessary anxiety and fear out there. And we only get to look at agreements once they have been signed, again this is educational, I don't know how you would do this but maybe before they are signed might also be a good idea. I think the International Trade Committee in the House of Commons did a fantastic job of educating those who were interested in this matter, it's a shame that that committee has now been dissolved and that trade agreement scrutiny if it exists will take a different form. It may not be quite as robust as it was.

**Tamara Cincik**

So, it might be something for our Parliamentary members to suggest.

**Professor Lorand Bartels**

I really think that would be a good thing. But my overall point is there needs to be proper education, a sort of big tent conversation maybe that is realistic and not ideological in the sense that we are a free trading nation, we always have been, we've always done well, I think the position of Britain in the World today is not at the apex of a large colony with a lot of pink bits, one of which I come from which is entirely different and unfortunately I think somewhat underpins the ideological approach of free trade which is just not realistic.

**Tamara Cincik**

Thank you, if other evidence givers don't have any points I'll go onto the next question if that's OK. Oh yes, Peter.

**Sir Peter Westmacott**

I just want to add one little comment which is a sort of follow on from what Tamara was saying and it's almost an elephant in the room. Whatever we're trying to do in terms of trade agreements, whatever we're trying to do in terms of strengthening the UK economy we do need to have an honest and informed debate about immigration and about skills. Rishi Sunak is trying to do something about low levels of numeracy amongst the British workforce, good, not sure how viable it is but that is at least a step in the right direction. We've got 500,000 net immigration per 12 months at the moment, far more than we used to have when we were part of the Single Market, I don't know who they all are, apparently 200,000 have come from Ukraine which is far more than I was going to give the Government credit for bringing in, in which case bravo. But where we are at the moment, we all know from every exposure we have to service and manufacturing industries there's hardly any people who are British born in the workforce. When we were in the single market there was large amounts of people who came in and came out of the UK nationals could go and live and study and work and live and vocation in other countries freely and the foreign nationals made a net contribution to the UK economy and were not a drain on our social services. We've now got far more people, we're not down to a few tens of thousands as David Cameron promised, we've now got half a million a year and still we haven't got an unemployment problem. Maybe a lot of people are coming out of the workforce, maybe a lot of people after Covid decided they don't want to go back to work, I don't know I'm not an expert in this area. But I think if we're not going to be honest enough about having the people in this country with the skills be they British or be they from other countries, then we're not actually going to be able to be strong enough, competitive enough in the

sectors which our trade policy negotiators are trying to produce a better performance in, so I just wanted to underline in a sense that anecdotal point that Tamara was making, I think it is a much more widespread issue than that. If we're not going to give the people who create the wealth in this country the tools to do it or the people to create that wealth, then we might as well not bother with trade negotiations.

**Tamara Cincik**

Very well put. And luckily, you're my first respondent for my next question Sir Peter, so my next question is how should the consultation mechanisms that are in place domestically be improved, which in part I think Lorand has alluded to, in order to ensure that trade policy making is inclusive.

**Sir Peter Westmacott**

Do you know I fear that's kind of almost above my pay grade, I don't honestly know what the consultation mechanisms are that trade policy negotiators go through. I think the only obvious banal point that I would make is back to a little bit what I was saying before, it would be helpful to have some sort of a strategy for growth which takes account of our existing strengths and where we want to be able to perform in the future. I used to fight terribly with the Government when I was there to try to help keep the aerospace industry alive because we were totally dependent on the goodwill of a firm called Airbus and the British Government, particularly the Treasury were super difficult over the negotiations and the interest rates they demanded for any repayable launch aid, really hard, and I kept trying to say if you don't come up with some money, which by the way is a great investment because the British taxpayer still makes \$50,000 from every single aisle aircraft sold by Airbus, you're going to spend much more on unemployment benefit for people who aren't producing for the economy. So, I think the point I would just like to make is that trade negotiators need to take account of where are our strengths, where are our weaknesses, where do we want to concentrate, where are we going to create the wealth in the future, have we got the skills. Links to the point I was trying to make just now rather harshly perhaps about immigration policy. So, I think it needs to be more coherent, but the actual processes of consultation mechanisms I'm afraid I'm just not sufficiently expert to make a useful comment on.

**Tamara Cincik**

Thank you, I mean I think you point to the issue around incentives so the film industry famously has had incentives, but California and New York have both upped their incentives and a lot of productions that were being made last year in the UK have now relocated back to America, so unless we have skin in the game or on the carrot not the stick, it's very hard in a global market which I think ties into the points you were making. Lorand in part you answered the question in a previous question, I'm just wondering if any of our other evidence givers have points for that question as well. I mean on a personal level again answering my own question and I apologise Chair, previously stakeholders such as myself were invited in to give ideas around such as the US-UK [inaudible 1:47:00.3] trade deal but there's a lot less engagement of people from industry than there used to be and I think that this is going to impact how they can have a vision about trade deals if they're not speaking to trade bodies and trade experts. Sorry, I keep answering my own question Hilary, I do apologise. Who has their hand up, Laurence?

**Laurence Turner**

Thank you. I mean it's really going back to the point around engaging workers and trade unions, we had quite an odd period where it looked like at least some trade unions would be invited onto the Trade Advisory Groups and then Minister changed and the view changed completely and even then it was quite a selective pick and choose approach that meant that you wouldn't necessarily have the most natural voices in the room on those broad thematic areas. And I think that's going back to the wider point around social dialogue which is something that's done much better in Europe than we do in the UK, but I think I'm just going to finish by echoing Peter around industrial shocks, I think this is something that is really important and the UK has a very poor track record of adapting when economies change and jobs are lost. Public Health Wales has said what they called mass unemployment events need to be treated as a public health emergency on a comparable basis to flooding and other serious climate events. You can trace in local labour markets where you have large scale economic shocks in the 1970s and how that continues to affect on an inter-generational basis people's participation in the labour market, health problems, 40-50 years later. I'm not sure any country has really cracked the best response but there are restrictions in the UK and a lot of this comes we think from restrictions in the Green Book and other spending rules that come out of the Treasury that don't need to be there around how areas adapt and as we look at the energy transition we have already seen large scale job losses and the Skidmore Report has warned that where new jobs will be created aren't necessarily in the areas where jobs are going to be lost, so this is something that I think we all need to do a lot more thinking about.

**Tamara Cincik**

The education piece and the skills gap piece, thank you.

**Sir Peter Westmacott**

Forgive me, I've got to run off to another meeting and I can't work out how to tell you all that but, Hilary Chairman, colleagues, thank you for having me I've learnt a lot and forgive me for running away a little bit before the end.

**Tamara Cincik**

You're welcome, no worries, nice to see you thank you. Iana, have I said that correctly or Iana.

**Iana Dreyer**

It's Iana. I just wanted to hone in the point about Parliament, I mean there is really seems to me with the current constitutional set up in the UK it's really very odd that the British Parliament doesn't have a final say really on the agreement, there is no formal ratification process and this is really a democratic deficit I would say and with having more powers you have a proper committee process, I think there is also an issue with giving the House of Commons more means to do more research, more evidence based research on trade policy and is another voice then at the very executive way that Government is running in the UK. It seems to me that this is fundamental, many free traders of which actually I count myself might find this very annoying to always have a Parliament that is not always on that line and I think that's why the Brexit crowd have been very dismissive of Parliament, but in the long run it doesn't stabilise trade policy, it makes the UK vulnerable in bilateral negotiations to back door deals that are not necessarily in its national interest, so Parliament I think is the way to start because a Parliament that is more empowered would also invite stakeholders,

hold these more convening powers that it doesn't have at the moment and at the moment they are at discretion of a Government that hasn't really been very transparent about its trade policy.

**Tamara Cincik**

Yeah, I think that's a very, very pertinent point and I could see one of our Parliamentary members Paul nodding vigorously at your points. Back to the Chair, I think those were very pertinent points around transparency of Parliamentary engagement and a vision piece. Thank you Chair.

**Hilary Benn MP**

Tamara thank you very much indeed. Right, we come to the traditional UK Trade and Business Commission final question and in order to answer this you've got to forget who you're looking at on the screen at the moment and imagine you are addressing the UK Government collectively and this is your golden opportunity and a Minister says to you, OK so what are the three recommendations you would like to put to us regarding how we deal with trade policy, so drawing on all of the points that you've all made during the course of this session, what are the three things that you would say you were looking for, and I'd like to begin with you James, as succinctly as possible, thank you.

**James Kane**

I'd say point one what do you want? Point two, is a trade deal or any other trade policy instrument the best way of achieving what you want? Three, if it is, which kind of instrument should you be going for? I appreciate those are actually three questions rather than three points, so actually I can sum it up in one point, decide what you want and do it.

**Hilary Benn MP**

OK, that is commendably succinct. Is Kati still with us because she's disappeared from our screen. Right Iana.

**Iana Dreyer**

I would say stop making the Home Office the biggest trade barrier to the trade. This was a topic that was a bit you know throughout the whole discussion, you need skilled labour, you need to attract skills to produce in the UK, to have competitive exports, to have competitive services exports as well, there has been talk of the City doing rather well, in fact there are signs of decline and people leaving the City in favour of either European or North American locations. And a lot of that has to do with the attitude to migration. The UK is a knowledge and services industry that relies on making itself attractive as a place for academics, researchers, etc so there is a lot in the higher education industry to be done and not being too restricted here on student visas and other things which are a good also provider of cash for this sector. So, I think this is outside traditional trade policy conversations, but it goes to the heart of trading and being actually a global trader.

For the other, I mean I think that's my main message apart from the other ones that have been already there in terms of having actually integrated strategy and starting to think about new topics that are emerging, subsidies, national security, etc.

**Hilary Benn MP**

OK many, many thanks. Laurence.

**Laurence Turner**

Thank you, I think we would say make sure that worker representatives are involved in the development of trade policy and trade negotiations, secondly that trade policy is aligned with domestic industrial strategy and perhaps easier said than done but critical at the same time. And finally work to the greatest extent that we can towards a common trade policy with our near neighbours, the aid response to Ukraine and the sanctions that have been put in place on Russia and Belarus perhaps can be thought of as a special case of trade policy and they have demonstrated that the UK can work effectively not just within that trading bloc but also lead it and now it's imperative we'd suggest to convert some of that goodwill into a more positive and new relationship with Europe in the future. Thank you.

**Hilary Benn MP**

Thank you very much indeed Laurence. And finally, Lorand.

**Professor Lorand Bartels**

So I would build on what James is saying, I think it's typically succinct and say once you've agreed, once you've decided what to do and once you've gone off to do it make sure that actually means something, make sure that the rules that are in there are enforceable, be prepared to abide by those rules yourself and also make it easier for your people domestically to make those rules meaningful by having access to Government to actually complain when other countries are doing the wrong things. Whether or not it's market access problems or labour or human rights problems, whatever the rules say that you've agreed and I think the EU has done a very good job here with the single entry point which is accessible to the common person and I think the UK should think about how to advertise and make accessible the agreements that it reaches also to people in the UK, that will bring it home I think in a concrete way.

**Hilary Benn MP**

Well thank you very much indeed. Can I say to all of our panellists we are so grateful for your contribution today. I think Stephen you made the point, it's particularly interesting when our witnesses debate amongst each other and that is exactly what we want as the UK Trade and Business Commission, and this has been a fantastic session and we will draw a great deal from it. Thanks for giving up your time and for giving evidence today and enjoy the rest of your day. Cheerio.

