

EVALUATING THE UK-AUSTRALIA TRADE DEAL

SESSION SEVEN 1 JULY 2021

BACKGROUND & WITNESSES

The ability for the UK to reach our own trade agreements has been seen by many as a key benefit of Brexit. After replicating trade agreements with countries with which we already had trade deals by virtue of our EU membership, an 'Agreement in Principle' has now been announced with Australia.

The UK - Australia Free Trade Agreement in principle was published on 17 June 2021. This is not yet legal text, as it is believed negotiations continue in a number of areas. However, it is common for countries negotiating preferential arrangements like this to make an announcement when the main terms have been agreed.

As the first country with which we have agreed a completely new trade deal, there is considerable interest in the content. Nowhere has this been more apparent than in food and drink, where the Government suggests there will be considerable benefits, and UK farmers in particular are concerned about unfair competition.

This extraordinary session of the UK Trade and Business Commission heard from agricultural and trade experts about the UK - Australia trade deal. In particular, we discussed the potential impacts of the deal for UK consumers and producers, what the alternatives may have been, and what it means for UK trade policy, including the precedent for future UK trade agreements.



Jilly Greed
Cofounder of Ladies in Beef,
The Suckler Beef Producers
Association



Phil Stocker
Chief Executive at the
National Sheep Association



Séan Rickard
Former Chief Economist
at the NFU



David Bowles
Head of Public Affairs
at the RSPCA



Dmitry Grozoubinski
Former Australian Diplomat
& WTO Trade Negotiator

ISSUES & RECOMMENDATIONS

KEY QUOTES

UK AGRICULTURE NEEDS A STRATEGY FOR TRADE DEALS:

- The Government needs a long-term food policy which is reflected in trade deals
- If the UK Government wants sustainable UK food production it must seriously consider how the trade deal with Australia and the difference in standards which it will create will effect sustainability
- The Government should should introduce plans to support rural populations in the UK, because if agricultural imports are to increase from Australia and the rest of the world, this will have a particularly detrimental effect on the devolved nations of the UK
- The Government should plan for the point at which there could be unlimited Australian imports, and the impact that could have on the agricultural sector.

ANIMAL WELFARE AND ANTIMICROBIAL RESISTANCE:

- If the UK Government is serious about climate change, animal welfare and antimicrobial resistance then imports should reflect these areas of concern just as UK producers have to do
- Existing restrictions such as those covering hormone-treated beef should be maintained.

TRANSPARENCY:

- Greater scrutiny in Parliament before agreeing trade deals is crucial
- The UK Government should create a portal where businesses can post about

Jilly Greed, Cofounder of Ladies in Beef, The Suckler Beef Producers Association, said:

"This is an absolute betrayal. This is Christmas all over for Australia."

"Currently there are about 3,700 tonnes of Australian products coming into this country. As soon as this [deal] is signed, this will increase to 45 times that amount, reaching 170,000 in 15 years' time. So much has been given away, for such little benefit to the consumer. I don't have any confidence in this government, they will just do a box-ticking exercise."

Phil Stocker, Chief Executive, National Sheep Association, said: "They (Australia) will compete on price, they won't compete on quality. Month after month the industry have been promised our higher standards would be protected through these trade deals and that we would be global leaders in pushing forward improvements in animal welfare, health and environmental management but you can see that what we're going to come down to is a discussion on some loose form of equivalence."

"We've always been concerned we'll be the sacrificial lamb in trade deals."

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David Bowles, Head of Public Affairs at the RSPCA said: "The UK has been very coy... if you don't have conditionality or equivalence in your FTA it means you export your animal welfare standards. Coy is probably a polite way of saying it, a more reasonable way of saying it would be disingenuous."

"We don't have a trade strategy, which sounds bizarre, but we don't. The trade strategy, as far as I can see it, is to sign as many FTAs as possible."

Dmitry Grozoubski, Former Australian Diplomat & WTO Trade Negotiator, said:

"I think the political costs for Boris Johnson in failing to meet that deadline were considerably higher than they were for Prime Minister Morrison."

"Other negotiators are going to have a very hard time justifying to the US Congress, to Bolsonaro in Brazil, why they are coming home with less than what the Australians got, given the size of the Australian market."

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Séan Rickard, Former Chief Economist at the NFU said: "Agriculture is going to bear a disproportionate cost. So desperate are the Government to do deals, they are preparing to slim down agriculture. We have a nutritional policy, we have a social policy, we have an environmental policy. We don't have a food policy."

Commissioner Caroline Lucas MP said: "In their haste to make headlines, the Government has compromised on our standards, our climate commitments and even the livelihoods of our farmers. We will use today's evidence to make constructive recommendations on how this can be improved, but we urge the Government to show some backbone and stand up for Britain in future talks rather than rolling over to make a quick deal."