PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

TRADE BILL

Second Sitting

Tuesday 23 January 2018

(Afternoon)

CONTENTS

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor's Room, House of Commons,

not later than

Saturday 27 January 2018

The Committee consisted of the following Members:

Chairs: Philip Davies, Joan Ryan, † James Gray

† Badenoch, Mrs Kemi *(Saffron Walden)* (Con)
Bardell, Hannah *(Livingston)* (SNP)
† Brown, Alan *(Kilmarnock and Loudoun)* (SNP)
† Cummins, Judith *(Bradford South)* (Lab)
† Esterson, Bill *(Sefton Central)* (Lab)
† Gardiner, Barry *(Brent North)* (Lab)
† Hands, Greg *(Minister for Trade Policy)*
† Hughes, Eddie *(Walsall North)* (Con)
† Keegan, Gillian *(Chichester)* (Con)
† McMorrin, Anna *(Cardiff North)* (Lab)
† Prisk, Mr Mark *(Hertford and Stortford)* (Con)
† Pursglove, Tom *(Corby)* (Con)
† Rashid, Faisal *(Warrington South)* (Lab)
† Smith, Nick *(Blaenau Gwent)* (Lab)
† Stewart, Iain *(Milton Keynes South)* (Con)
† Vickers, Martin *(Cleethorpes)* (Con)
† Western, Matt *(Warwick and Leamington)* (Lab)
† Whittaker, Craig *(Lord Commissioner of Her Majesty's Treasury)*
† Wood, Mike *(Dudley South)* (Con)

Kenneth Fox, *Committee Clerk*

† attended the Committee

Witnesses

Dr Lorand Bartels, Reader in International Law, University of Cambridge, and Senior Counsel, Linklaters

Dr Holger Hestermeyer, King's College London

Jude Kirton-Darling MEP

Dr Brigid Fowler, Senior Researcher, Hansard Society

Professor Alan Winters, Director, UK Trade Policy Observatory

Michael Clancy, Law Society of Scotland

George Peretz QC, Barrister, Monckton Chambers

Tom Reynolds, Commercial and Public Affairs Director, British Ceramic Confederation

Gareth Stace, Director, UK Steel

Cliff Stevenson, Specialist Adviser, MTRA

Anastassia Beliakova, Head of Trade Policy, British Chambers of Commerce

Stephen Jones, Chief Executive Officer, UK Finance

William Bain, Policy Adviser—Europe and International, British Retail Consortium

Edward Bowles, Managing Director, Group Public Affairs, Standard Chartered Bank

Public Bill Committee

Tuesday 23 January 2018

(Afternoon)

[James Gray *in the Chair*]

Trade Bill

2 pm

The Chair: For those of you who do not know, I am James Gray. I am a stand-in for Joan Ryan, who unfortunately has, I think, a family problem of one sort or another. I shall be in the Chair for this afternoon's proceedings. I mentioned earlier on that, contrary to normal practice, I voted on Second Reading in favour of the Bill, but I do not think that that affects my ability to be dispassionate. A Chair who had not voted on the Bill could not be found, so that is why I am in the Chair—I hope that is all right. With that, let us have the witnesses in, please.

Examination of Witnesses

Dr Lorand Bartels, Dr Holger Hestermeyer, Jude Kirton-Darling and Dr Brigid Fowler gave evidence.

2.1 pm

Q85 The Chair: May I welcome our four witnesses to this evidence session of the Trade Bill Committee? I thank all four of you for taking the time and trouble to come and give evidence, which is enormously useful. What you say today will affect the discussion of the Bill as we go forward, so it is well worth the effort of coming here to give us evidence. For the sake of the record, would you be kind enough to tell us who you are, starting from my left?

Dr Fowler: I am Brigid Fowler, from the Hansard Society.

Jude Kirton-Darling: I am Jude Kirton-Darling, a Labour Member of the European Parliament for the north-east of England, and a member of the European Parliament Committee on International Trade.

Dr Hestermeyer: I am Holger Hestermeyer, the Shell reader in international dispute resolution at King's College London.

Dr Bartels: I am Lorand Bartels, a reader in international law at the University of Cambridge, and senior counsel at Linklaters.

The Chair: I do not know whether you have a thought to do so, or would like to do so, but you would be more than welcome to make a short introductory statement if you wish. If not, we will move straight on to questions, starting with Barry Gardiner.

Q86 Barry Gardiner (Brent North) (Lab): I suppose what I would like to try to get out of this session is whether you feel that any lacunae have been created by Brexit in our system, whether there is appropriate scrutiny and transparency, and whether you feel that there are shortcomings in the Bill that need to be filled. May I start by asking the panel, perhaps beginning with Dr Hestermeyer, for examples of deals that will be the same, and of deals that may be different? Are they simply roll-over deals or are they substantively new, distinct legal entities?

Dr Hestermeyer: The first thing to note—in fact, it is even in the Government's comments on the Bill—is that the deals will be technically new international agreements, so they will be technically separate. As to their content, first, there are the technical details that will need to be changed—for example, rules of origin, which define when a product benefits from a trade deal. Those are quantities, so they will say, "50% of a car has to be from the EU." That, of course, no longer fits; it will have to be the UK, and the numbers will have to be changed too, because a UK car is substantially now 44% UK-content. We will not benefit from the deals if we do not change the numbers. Those are technical issues, but they are vital.

There are some deals that are structurally so different that, quite frankly, I wonder whether we really want to reproduce them one-on-one. For example, Norway, Iceland and Liechtenstein are in the European economic area—as was recently explained, in the sidecar to the single market. Do we really want to reproduce those deals by statutory instrument? It seems peculiar to me that we would want that. Turkey, for example, is in a customs union with the European Union. Do we want a customs union with the European Union? We might say yes or no, but I wonder whether a statutory instrument is really the way to take those decisions. Switzerland has a whole number of agreements, some of them linked by what is called a guillotine clause, free movement. Do we want that? That probably could not be reproduced even if we did want it, so that is also a no.

You might say, "All this is insignificant," but if you add up the numbers, the EEA is 2% of UK trade, according to the Government's assessment of the Bill; Turkey is 1.3% and Switzerland is 3.1%. That amounts to roughly half the trade we are talking about, or half the 15% that the Government assessment arrived at for those agreements. I do not think that will be rolled over, because I am not sure we would want it, quite apart from the technical issues that will arise and the question of whether other states and our partners will say, "We also want something."

Dr Bartels: I would rather focus on the implementation aspects. Obviously, the question of which agreements the Government choose to roll over is a political decision; it depends on negotiations and so on. My reading of the Bill is that it talks about the implementation of those agreements. What is important there is to identify the scope of the agreements that can then be implemented.

One point of interest is that the Bill extends to agreements that have been signed but not ratified as of Brexit day. I think we can safely say that that is likely to be the comprehensive economic and trade agreement with Canada, the agreement with Japan and others as well; and if the EU agreement is provisionally applied at the same time, some might think that they are in force and ratified. In fact, I found the language in some of the documents around this area blurred the point a little bit, but there is a fundamental difference in international law between a signed and provisionally applied agreement and a ratified agreement. The Bill is quite extensive when it comes to signed agreements.

There are other points to do with the definition of the sorts of agreements that are covered here, such as a free trade agreement, which is here defined to include a free trade agreement and a customs union agreement by reference to World Trade Organisation definitions. Then, interestingly, we have in clause 2(2)(b),

"an international agreement that mainly relates to trade, other than a free trade agreement."

I do not know whether you would like me to say anything about that now. It could be quite broad. I noticed one idea in some of the amendments, which was that it could be further defined as including a strategic partnership agreement, the language used for the framework agreement sitting on top of CETA, and mutual recognition agreements.

I must say that I think the amendment is very comprehensive; for a start, the strategic partnership agreement is not even tangentially about trade, so it could not really be described as an agreement about trade. The point of it is political and human rights conditionality and so on. In that sense, the definition is over-inclusive. It is also under-inclusive, in the sense that mutual recognition agreements are only one type of agreement relating to trade that one might legitimately want to include here. For instance, one would also have customs co-operation agreements as an obvious agreement that should be rolled over and implemented.

The broader point is that, despite what I said about the strategic partnership agreement, it is an outlier in this respect. A lot of agreements have to do with trade. Environmental agreements have trade aspects; the Montreal protocol on substances that deplete the ozone layer is all about banning trade in ozone-depleting substances. The convention on international trade in endangered species is all about trade in endangered species.

Therefore, I think the definition is a little bit unclear. One could say, "Well, it's agreements that just liberalise trade," but that is a problem too, because FTAs do not just liberalise trade. They have intellectual property provisions, which might arguably in some way promote trade, but more likely investment. Certainly, they are not the first thing that you think about when thinking about a trade liberalising agreement. There are provisions in the FTAs in addition to intellectual property: competition law, labour and environmental protection provisions are in all the modern EU agreements that we have talked about. Essentially, this gives the Government the ability to implement labour standards provisions, which include not exactly sanctions, but obligations that need to be performed. Frankly, these two Bills strike me as very old-fashioned; they do not seem up to date with the reality of modern trade agreements.

Jude Kirton-Darling: I will follow on directly from that last thought, from my experience inside the European Parliament as an MEP, scrutinising trade policy at EU level. Of course, our MEPs have done that job for the last few decades. From our perspective, what really is missing from the Bill is the parliamentary scrutiny dimension. No-one on the panel has mentioned that so far. In terms of process, compared with the parliamentary scrutiny powers that British MEPs have today in the European Parliament, the Bill is an enormous step back in democratic oversight of trade agreements.

To add to what has already been said from a legal perspective about what these trade deals are, any kind of roll-over is likely to come up against the offensive interests of our trading partners. We have already seen that what was supposed to be quite a technical question of the division of tariff-rate quotas going to the World Trade Organisation has turned into an enormous political issue, with countries who supposedly are our friends and allies defending very actively their offensive interests in relation to tariff-rate quotas.

Once we start opening trade deals up to technical tinkering, whether that is a number here or a point there, our trading counterparts will also use that opportunity to try to get a bit more leeway for their interests. It is likely that these deals will be very different at the end of the process from what we have at the beginning. That parliamentary scrutiny—the role of MPs in ensuring that there is democratic oversight—is absolutely crucial but entirely missing from the legislation.

Dr Fowler: If the question is which of these agreements will change significantly, my answer is, we do not know that. Other people who are much more expert than me in the details of trade agreements would have better sight of that, but as someone who looks at what is coming to and through the Westminster Parliament, we simply do not know at the moment. On that basis, I make two points.

First, Parliament needs to be happy that it has procedures in place to deal with agreements that might be changed significantly. Even the Government have indicated that that is a possibility—they use language about substantive change in the Bill documents. Secondly is the point about transparency and possibly some kind of reporting function, which does not have to go into the Bill; it could be done through other means. However, I feel that, given the number of these agreements that have to be dealt with in the amount of time that we are talking about, some kind of regular reporting transparency about exactly what is going on would be useful to Parliament.

The Chair: Thank you; that was very useful. It is not necessary for all four members of the panel to answer all the questions. You may want to target them, because we have half an hour left and we want to make the best use of our time.

Q87 Mr Mark Prisk (Hertford and Stortford) (Con): May I ask Dr Bartels about the remedies section, in part 2 of the Bill? In your view, how does the legal framework for remedies, particularly if a remedies authority is established, compare with others abroad? What are the strengths and weaknesses?

Dr Bartels: One of the features of the package that you have been presented with is a split between fiscal and non-fiscal measures that can be adopted. I am not entirely convinced that that is a very sensible division of tasks. For instance, because of that division, what seems to be missing is the ability to impose quotas—not tariff-rate quotas but quantity quotas—as safeguard measures, which is permissible under WTO law and is done. Because of the split, nothing on those measures is set out in this agreement, and the other agreement only deals with duties, so you are limited to tariff-rate quotas. That is one overall observation. I could say other things about the treatment of developing countries in the other Bill, which I find under-complex, to use a German term that my colleague is fond of.

More directly to your question—again, this links to what I am saying about the split—the major issue when it comes to the Trade Remedies Authority here is that we do not have it in a context that enables appeals. I know that in the other Bill there is a reference to the possibility of an appeals mechanism. The United States is very big on appeals—it is very elaborate. Of course, one can disagree with the way in which the United States conducts itself—we have all paid some attention to the Bombardier dispute and the United States' interpretation of its WTO obligations—but at least formally speaking there is a sequence of decision making that includes a court, appeals and so on established there, and we do not have that here. It is very, let us say, basic at this point.

On the rest of it, reading this together with the other Bill, I would say in general terms it looks fairly standard. There are some choices you can make when setting up a Trade Remedies Authority, such as the duties that can be imposed and whether you go for a lesser duty rule or not—we seem to be doing that here. One can make a political choice on that, but in general terms, other than the point on appeals of decisions, and connected with that the relationship between the authority and the Secretary of State, which here is extremely close and in other systems might be a little more arm's length, I think the detail of what the authority can do is fairly standard.

Mr Prisk: Does anyone want to add to that?

Jude Kirton-Darling: I would add one thing. I heard the evidence this morning in which there was quite a lot of discussion of the EU trade defence instruments and the EU system, and some of it was a little bit out of date. During the steel crisis, quite a number of reforms came in to modernise and speed up trade defence inside the EU, mainly led by the European Parliament. That is one of the key elements missing from the Bills: the role of Parliament in terms of oversight and scrutiny.

If I think about the role of MEPs when it comes to trade defence instrument questions, we have the right to veto proposed duties and to scrutinise all of the Commission's proposals, we have access to all of the documents in relation to investigations, and we can demand closed-door meetings with Commission officials to really get into the detail of those investigations. It seems to me that lots of that scrutiny is missing from the proposals on the table. That scrutiny gives a quality to the process of ensuring balanced trade defence instruments that are effective.

Q88 Mr Prisk: So you do not think that having Question Time and a Select Committee on trade is adequate.

Jude Kirton-Darling: There is a clear role for stronger scrutiny. Inside the legislation, there is no obligation on the Secretary of State or the new Trade Remedies Authority to engage directly with Parliament through, for example, a specific Committee of Parliament. In future, that could be the International Trade Committee—an amendment could be tabled to ensure that link and that scrutiny—but at the moment that is not in the proposals. It is a missing link, if you think about what we already benefit from in the current system, of which we are a member.

I would hate to give the impression that what we have is perfect; that is not what I am trying to say. Today, in the European Parliament's Committee on International Trade, MEPs have voted on a modernisation package to try to rectify some of the weaknesses in the EU's regime. If you are thinking about what to improve on, our system is not perfect, but, at the same time, MEPs—your counterparts—have a clear role in the process, which is entirely missing from the proposals tabled.

Q89 Anna McMorrin (Cardiff North) (Lab): May I address this question to Dr Bartels? The Government suggest, to justify the absence of any process for parliamentary oversight, transparency and scrutiny, that trade negotiations need to be done confidentially and under some secrecy. What is your feeling about that?

Dr Bartels: One can look at what is covered in modern trade agreements according to two poles, and then there is a sort of meeting in the middle. On one side, you have the pure market access issues, where you are reducing duties—you are liberalising trade—in certain economic sectors. Those sectors are going to be affected negatively and are not going to be happy about it, because there is competition that they were not used to. To do that, you need to be able to trade sectors off against one another. There is a reason for confidentiality with that traditional sort of trade negotiation. Not everybody would agree—you might say that someone whose job is at risk should get a right to know what is being negotiated—but there is at least a traditional and strong argument there for confidentiality.

On the other side, you have purely regulatory issues, such as the question of what you think in your system of the precautionary principle for health and safety. That sort of principle would normally be dealt with through the normal democratic process, and I cannot see any reason why that should be changed and negotiators should be given the ability to haggle that away, particularly if they are doing that in secret. In the middle, you have rules that are regulatory but arguably are also protectionist, so the trade negotiators would say, "We should be able to negotiate those away in secrecy." It is hard to know where to draw the line, but it is certainly useful to conceive of what is in a trade agreement according to those two poles.

None of that means that this should be limited purely to the Executive, even when there is confidentiality on market access. Many other countries have systems where parliamentarians have some rights to see what is being negotiated and to be kept apprised of negotiations as they go. The European Union, for instance, is extremely advanced when it comes to that; there are strict limitations in terms of going into and coming out of the room, no phones are allowed, and so on. The US Congress has similar arrangements. There is a palette of options to enable parliamentary involvement, even within the framework of confidentiality. I am not sure that the Bill is the right place to address that sort of issue, but there is certainly nothing like that in the Bill.

Q90 Anna McMorrin: Some claim that non-tariff barriers to trade, such as regulations on standards, are protectionist. What is your opinion? Do you believe that is true?

Dr Bartels: It is true, but it is generally more true in certain sectors. It is true, for instance, in sanitary and phytosanitary standards. It is usually not the standards themselves that are protectionist. There are examples of standards, such as the beef hormone standards, that I

can say are protectionist because WTO cases have said they are protectionist—I just need to cite Geneva on those—but it is often done by having overly complicated conformity assessment requirements, and so on. There is definitely room for regulations that purport to be there simply to protect the public also to be protectionist. Usually, you have both aspects in the same regulation. But even in that sort of situation, I still think that the regulatory dimension is sufficient for there to be at least some type of domestic scrutiny over haggling that away.

Q91 The Chair: Do others have a view on that?

Dr Hestermeyer: There are certainly examples of standards being used only for protectionist purposes, but it is far more common for standards that one side sets to be perceived as protectionist by the other. Let us take hormone beef. There is real concern on the part of a lot of European consumers that hormone beef is not healthy. There is no direct scientific evidence to show that that is true, but the concern is nevertheless there. So the standard reflects the democratic choice of the populace—whether we think it is adequate or not. That is important to see. With any standard set, some sides will say, "This is protectionism," and it is also rhetoric to attack the standard.

Jude Kirton-Darling: I guess the last point missing from that is that if we look at where trade agreements and trade policy have been controversial in recent years, it is when the perception is that standards held very dearly by the public for exactly those reasons are perceived to be negotiated away behind closed doors, with only a certain number of vested interests having access to the process. That is one more reason why having an open process, with parliamentary scrutiny and engagement, gives credibility to any final agreement, which at the end of the day has to have public support, after the negotiations. You build in societal acceptance through the process by engaging Parliament in an active way.

Dr Fowler: I would very much endorse that. If it is the case that some degree of secrecy or privacy is an advantage in one respect, there is probably a trade-off in terms of not being able to have that societal buy-in that might be wanted at the end of the process. There is a trade-off and losses if it is all done in private.

Q92 Tom Pursglove (Corby) (Con): Quite a bit has been said, not just in this sitting but in the sitting earlier today, on the issue of checks and balances, and scrutiny. Would the witnesses accept that all of these agreements initially, when they were brought into being in the first place, went through an impact assessment process and that, on ratification, they were scrutinised thoroughly by the scrutiny Committees in both Houses? Also, the 2010 CRAG process—under the Constitutional Reform and Governance Act 2010—allows Parliament to pray against a treaty and indefinitely deny ratification, including bringing it to a debate. Do the witnesses recognise that and think it is sufficient?

Dr Bartels: I will kick off. Yes, I would agree with that, but I would also say that what is important about the Bill is that it gives the Government the power to change those agreements. They are, legally, new agreements, and that is recognised specifically in the Bill and in the explanatory memorandum, where no bones are made about saying that new obligations might be undertaken, so it would not be the same agreement that is subject to scrutiny. What is important here is to work out whether there are any limits on the Government's ability to undertake new agreements—or new obligations in what are named as existing agreements—and implement those obligations, and if they do that, whether that is then sufficiently being scrutinised by Parliament.

Dr Hestermeyer: I would like to go back to my first answer and take as an example the Turkey agreement. I do not think that we would want the kind of customs union that Turkey has, but currently the Henry VIII power would allow implementation of any agreement that we then make with Turkey, even if in the end it looked completely different. That is the first problem with this scrutiny process.

The second problem, as Lorand identified at the beginning, is that some agreements have been signed but not ratified, so the scrutiny part of ratification has not yet happened. They have not been fully scrutinised.

The third element is that I do not think that the Ponsonby rule, as qualified, is sufficient because, first, it allows only delay and not a straight up-or-down vote; and secondly, it requires scheduling of an actual debate and vote. With Government control of parliamentary timetables, there is no guarantee that it cannot be indefinitely delayed. Even theoretically, therefore, that is not possible.

Jude Kirton-Darling: I fully agree with previous speakers.

The Chair: In which case, you may just nod.

Dr Fowler: I would agree with that. In terms of existing scrutiny through the European scrutiny system, one point is that it is imperfect. As we know, the European Scrutiny Committee here spends a lot of time trying to get time on the Floor of the House and trying to ensure that it sees documents in time and to arrange things so that it can have a meaningful say. Then there is the problem of the agreements that will not have been fully through the European scrutiny process before they come back again. Then there are the CRAGA problems—it seems that no one quite knows how the CRAGA provisions would work. That may be because no one in either House has ever tried to do anything under them, but it seems to me that part of this process ought to be that agreements are going to come before Parliament that it might want to do something about, and merely as a minimalist position—

The Chair: I am sorry to interrupt. May I just say that there is a gentleman in the gallery who may not take photographs? Please carry on.

Dr Fowler: If you wanted to take a minimalist view, merely as a bit of constitutional housekeeping, it seems to me that there is scope for at least clarifying how the CRAGA provisions would be used, before possibly going into strengthening the powers.

Q93 Faisal Rashid (Warrington South) (Lab): May I ask Dr Fowler to expand on a point raised in the Hansard Society paper, "Taking Back Control", about the issues surrounding Government control of parliamentary time, and any implications this is likely to have for both the trade deals covered in this Bill—including the government procurement agreement membership—and the delegated powers that it grants, especially with regard to the negative procedure?

Dr Fowler: As you will know, under the negative procedure, Parliament has the power to pray against an instrument. In order to do that, first, Members need to use the early-day motion procedure, which is obscure and many Members do not even know about. Secondly, and more importantly, there is the issue of trying to get time on the Floor of the House. There have been cases where Members have wished to pray against a negative instrument and time has not been granted on the Floor of the House within the scrutiny period, so it has simply been impossible to annul a negative instrument before it came into force. That is one problem with the current system.

Q94 Faisal Rashid: So is it fair to say that the Government have the ability to control debate and thus limit—or even totally deny—parliamentary scrutiny of the deals or the secondary legislation?

Dr Fowler: Inasmuch as the Trade Bill provides for use of the negative procedure, yes, that would be fair. I am sure there would not necessarily be any wish to do that on the part of any Government, but as the procedures currently stand, Back Benchers cannot be sure that they can get time on the Floor of the House if they want it.

Q95 Judith Cummins (Bradford South) (Lab): We have heard a lot today about the importance of societal acceptance in the scrutiny process, and Jude Kirton-Darling certainly explained the scrutiny process for trade agreements currently in place in the EU and the European Parliament. Dr Fowler, could you explain the current parliamentary framework for the signature, ratification and implementation of trade agreements in the UK?

Dr Fowler: At the moment that procedure happens through the European scrutiny system because of the EU's competence to conduct trade policy. The main instrument is the so-called scrutiny reserve, under which the Government deposits relevant documents with the European Scrutiny Committees in both Houses and they scrutinise them. The relevant Minister is not supposed to sign up to things in the EU Council if the relevant documents are still held under scrutiny. That works every time a new set of documents is tabled along the process.

The system can be quite effective but there is a difficulty about timing, and getting time on the Floor of the House. There is a difficulty if something has to move quickly at EU level, and then the Government quite often uses what is called the scrutiny override where it just says, "We had to go ahead with this." Then there is also the difficulty about trying to schedule appropriate debates in Committee or on the Floor of the House.

Jude Kirton-Darling: My only addition would be that currently, one of our frustrations as MEPs is about what happens when some things that we have scrutinised heavily at European level, pass to the national level. We see the level of scrutiny in the German Parliament, in the Belgian Parliament, in Scandinavian Parliaments, where there are very detailed scrutiny processes—often going on at the same time as we are scrutinising at European level, so we get feedback from those Parliaments during the process—and we do not feel, in many cases, that same process from Westminster. So, regardless of what happens in terms of Brexit, it is one of the ways in which Westminster could do more to scrutinise trade in any case, and that would be a benefit for everybody.

Dr Hestermeyer: Just as a reminder, the scrutiny override was used for CETA. To compare that, under German law, for example, Parliament gets involved very early on. There was a change in the constitution and then an additional statute was passed, so Parliament gets involved very early on and can make binding statements for the Government, which will then be taken into account by the Government also in the Council. That way, there is a large impact of parliamentary statements in governmental positions, because in the end, the Government will have to defend measures in the Council.

Q96 Martin Vickers (Cleethorpes) (Con): Ms Kirton-Darling, you referred to the scrutiny process in, say, Scandinavian Parliaments and the feedback to Brussels and so on. That may be very detailed but, of course, when it gets back to Brussels, Sweden or wherever is just one of 28. Their input in the great scheme of things, eventually, is rather watered down. Wouldn't you accept the fact that, once Brexit is achieved, the UK, with the scrutiny via the Select Committee and the possible annulment through Parliament and so on, is more powerful than the voice we have at the moment?

Jude Kirton-Darling: Unfortunately, no.

Martin Vickers: I thought you might say that.

Jude Kirton-Darling: Globally, our voice will be very much reduced by Brexit. Currently, we negotiate together with our neighbouring countries and that collective weight is leveraged in negotiations with trading partners, which, unfortunately, we will lose as a result of Brexit. The benefit of that parliamentary engagement from the national level from other countries creates that societal acceptance, in many cases, of European trade deals. We saw that where there is poor parliamentary engagement, societal acceptance is called into question. The biggest example—it may be a very small region of Europe—was the case of Wallonia and the CETA negotiations, where, through the powers they have as a regional Parliament, they were able, even if they were a small region in Europe, to leverage quite significant improvements in the CETA deal to address some of the concerns they had about that deal. That is where the Parliament is working effectively to really ensure they scrutinise trade deals.

After Brexit there will be a case, if there are improved scrutiny powers included in this Bill and in the accompanying measures toward this Bill, that could mean that MPs would be able to be far more effective in terms of trade policy. My basic answer is that we will be weaker post Brexit because we lose our place and we will become, in effect, a rule-taker rather than a rule-maker when it comes to international trade negotiations.

Q97 Martin Vickers: That is a judgment in terms of the Brexit argument rather than the benefits of the Trade Bill.

Dr Hestermeyer: On a technical-legal point on mixed trade agreements, all trade agreements except for Kosovo, if I am not mistaken, were mixed trade agreements. The Council decides by common accord, which means that the UK alone could prevent agreement.

Q98 Martin Vickers: Of a watered-down version.

Dr Hestermeyer: There might be political pressures but I am not a politician; I am just a lawyer, so on a legal position. Obviously, that is the past; that is not the future.

Q99 Alan Brown (Kilmarnock and Loudoun) (SNP): Jude, earlier on, you mentioned tariff-rate quotas and the fact that the whole negotiating process is potentially back up for grabs between the UK, EU countries and the third countries. Going forward, as part of these negotiations, as a politician I would want to know which third parties are advising the Government and what the correct asks are. What impact assessment has been made of getting the desired result and any other trade-off that might be associated with that? How will we make sure that the correct people—the politicians, I would suggest—have approved or ratified the deal? What needs to be done or what amendments need to be made to the Bill to allow such a transparent process and that level of scrutiny?

Jude Kirton-Darling: In my experience of the European Parliament's level of scrutiny, what we have at European level legally is quite limited. Inside the treaty we have a right to accept or veto trade deals at the end of the negotiations. That is included in the Bill, but the second element which we have which is not included in the Bill, which we use much more effectively, is that we have the right to be kept informed throughout the negotiations. That is a legal obligation inside the European treaties. That effectively then gives Members of the European Parliament a hook on which is placed the whole of parliamentary scrutiny at a European level.

You could amend the Trade Bill to include a hook in the same way, which would then allow you to develop some kind of working statute which could evolve over time. These processes evolve over time—improve, I hope, over time—with more transparency as trust is built between institutions. However, you need that legal hook at the beginning. Within the European Parliament, as a result of the hook, we have monitoring groups on every single negotiation that the EU is undertaking and established trade agreements. We have monitoring groups which meet behind closed doors on a regular basis with the chief negotiators, in which MEPs can scrutinise and ask any question. We have access to the majority of documents. During the negotiations you will have heard about the TTIP reading room. We had access to all the EU side of the negotiation documents. Crucially, in that reading room, we also had the read-outs from the European negotiating team of the process of each round of negotiations. To put it into context, you had the legal text of the EU negotiating position and, through the read-out, you could see where the room for manoeuvre was with the US side of the negotiations. Those documents give you the capacity then really to question.

The Chair: Thank you. At quarter to three, I will stop you talking, even if you are mid-sentence.

Q100 Bill Esterson (Sefton Central) (Lab): Brigid Fowler, can you describe the procedure that you would recommend?

Dr Fowler: First, Parliament needs to be very clear whether it is happy that the Bill only covers the replicated agreement. You might want to decide that you are happier with these agreements and then do something stronger for the completely new agreements that the UK will be negotiating. I believe that is something that the Secretary of State has indicated he would be open to, but I suggest that Parliament might want to get that nailed down in some way at this stage.

As I have mentioned before, the main issues are the weakness of the CRAGA procedure at the moment—

Q101 Bill Esterson: What alternative do you recommend?

Dr Fowler: For example, you might simply want to have an affirmative motion, a motion for resolution, rather than the negative power that is applicable at the moment. That might be one option that the Government need to bring a motion for affirmative resolution. That is one possibility. Even more important is the preceding stage, which is processes around the signature of the new agreements, particularly where they might have been changed significantly from the existing EU ones. Again, there are things that Parliament could do about transparency, possibly having an approval motion, or recreating some kind of scrutiny reserve, possibly through a Committee. There are all sorts of institutional options, but I think the House might want to look at a set of processes around signature that the House might want to look at.

The Chair: We have a few seconds—I take the opportunity to thank our panel. You have been extremely clear and interesting and will greatly add to Members' understanding of the Bill. Thank you very much for your evidence. Perhaps if you would like to shuffle off in one direction, the next lot will shuffle in.

Examination of Witnesses

Professor Alan Winters, Michael Clancy and George Peretz gave evidence.

2.45 pm

Q102 The Chair: May I welcome our second panel of the afternoon? Thank you very much to all three of you for kindly giving up your time to give evidence to Parliament this afternoon. I am very much looking forward to hearing what you have to say. To begin with, would you introduce yourselves for the record?

Michael Clancy: Thank you, Mr Chairman. My name is Michael Clancy. I am the director of law reform at the Law Society of Scotland.

George Peretz: I am George Peretz. I am a QC practising for Monckton Chambers in London on EU and international and all sorts of other bits of law.

Professor Winters: I am Alan Winters, professor of economics at the University of Sussex and director of the UK Trade Policy Observatory.

The Chair: We have 45 mins to hear from you, starting with Barry Gardiner.

Q103 Barry Gardiner: Perhaps I could start by asking Professor Winters about the economic partnership agreements that the EU has with developing countries. They are in the list of those that the Government are seeking to replicate. Do you believe that replicating those agreements and creating EU-UK equivalence is the best way forward in our engagement with the developing world? Are they models that the economic partnership agreements countries themselves would wish to see replicated?

Professor Winters: In general, they have been a pretty poor piece of policy. As far as the UK is concerned, I would suggest that we might want to consider rolling them over for two or three years, but I would hope that that two or three-year period was then used to try to devise a more satisfactory regime. They encourage distortions in the developing countries. The developing countries are put through the agony of trying to negotiate together, which is very costly and time-absorbing for them, and rather ineffective. What we need to do is to try to find a much simpler way of allowing developing countries access to the British market than the current EPAs.

Q104 Barry Gardiner: Given that there is this renegotiation going on, do you feel that those countries might seek to use the occasion as a means of bettering the current agreement in some way? Or would they feel—if they are being told, "You will not get a trade agreement unless you do this quickly"—that they are being bullied into doing it against their will?

Professor Winters: By and large, countries find it very difficult to resist the offer of tariff-free access to a market. If they were put in a position where they were told it was the equivalent of the EPA or nothing indefinitely, my guess is that most would shrug and accept the EPA, but given one quarter of a chance, they would want to talk to us about a more reasonable and satisfactory—and in the end more efficient—process of market access.

Q105 Mr Prisk: Professor Winters, we have before us in part 2 a broad legal framework for a future remedies authority. In your view, is it robust enough? If not, what should we be thinking about amending?

Professor Winters: The Trade Remedies Authority is something we clearly need. Without seeing a lot more details about exactly how it operated, I would not want to say whether it is robust, but I would like to emphasise three things about it. One is, I understand, Government policy; I think the others are not.

The so-called lesser duty rule is important for safeguards and anti-dumping. That is essentially the rule that says the duty you put on goods that are allegedly dumped is the lower of the amount of dumping—the dumping or injury margin—required to make good the British industry. That is a good rule to have.

The two things I am less clear are there at the moment are, first, a very strong degree of transparency. Its operations need to be, with the exception of commercial confidence, pretty much out in the open. The second is that experience through decades in nearly every country suggests that these trade remedies are captured by producer interests. They are complex, they are triggered by the producers complaining that they cannot manage or that they are being cheated, and the whole process essentially favours them.

The really important thing is that, exactly like the House of Commons, you need an opposition. I would urge that we try to supplement the Trade Remedies Authority with an officially sanctioned and resourced group to represent the consumer interest, to do the analysis and actually have the right of audience at the TRA to make the case.

George Peretz: If I may add to that, of course the trade remedies provisions are spread across this Bill and the customs Bill. If one looks at the customs Bill to find out where the appeal mechanism is—as a barrister, my first thoughts go to what the appropriate appeal mechanism is—all you find is a power of the Secretary of State to make appropriate regulations.

It is my personal view that that is somewhat unsatisfactory. There are a number of important questions that arise about appeals, one of which is very important, and that is what the appropriate standard of review is. Is it a merits review, which enables a specialist appeal court to correct the decision maker on questions of fact as well as questions of law, or is it simply a judicial review mechanism, where all the court is doing is saying, "Is this a reasonable decision, whether it is right or wrong?"? It is a very important decision to make and it seems to me that that is one that ought to be made by Parliament in primary legislation and not by the Secretary of State or the Executive in a statutory instrument. That is a decision for you.

The appeals mechanism is important. I said slightly flippantly that it was because I am a barrister, but it is the experience of all regulatory processes that what actually happens at the regulatory stage is often very conditioned and influenced by the form of an appeal. Any sensible regulator will, during the process, have their eye on what the appeal route is, who can appeal and what the level of scrutiny of their decision is going to be.

If you have a very robust form of appeal mechanism, which is open to both parties— the complaining industry but also a range of interest groups whose interests might be affected by the imposition of duty—and if they are allowed routes to appeal that will encourage the regulator, in this case the TRA, to take robust decisions. That is robust in the sense of fully reasoned decisions that will sustain detailed scrutiny, to ensure that all parties are properly heard so that they are fully aware of where the objections to what they are proposing to do are and can properly evaluate them. You get better decision making out of all of that.

I sent the secretary to this Committee a copy of a briefing paper I did for the UK Trade Forum website, which is there if any of you want to read it. It expands a bit on that point but I would emphasise the appeal mechanism. There are other issues about the trade remedies. I have probably spoken for long enough but if people have other questions they could ask about them.

Michael Clancy: I read your blog; it is very good. The other thing that I would say is that the tenure should be made more independent by having term limits. That is quite important in reinforcing independence and impartiality. We have had experience in Scotland of the whole system of judicial appointments being reworked for temporary sheriffs because they did not have a stated term and were subject to the whim of the appointing Ministers. That would be my addition to this discussion.

George Peretz: The provisions for the appointment of members of the Trade Remedies Authority are very similar to the provisions for appointments to the Competition and Markets Authority, which as anyone who has watched the press this morning knows takes very important decisions about the economy. There is a difference with the Trade Remedies Authority, and the argument why you might need a more constraining set of rules governing whom the Secretary of State might appoint. At the moment the Secretary of State appoints the majority and the rest are staff members. There may

be an argument for a more constraining set of rules, particularly if the Trade Remedies Authority is—as the customs Bill contemplates—itself given the remit of applying a wide range of economic interest tests as the trade remedies body. That means that even if the TRA accepts that there is a legal basis for opposing a trade remedy, then as a matter of economic interest to the UK it is able to say, "We are not going to do so here because, for example, the consumer interest outweighs the interest of the particular producers affected."

That seems to me to be a political position: it is balancing the interests of jobs in a particular area of the country against the interests of consumers across the country, to put it crudely. If the TRA is, as the customs Bill contemplates, itself going to be taking that kind of decision, then there is a case for saying that its composition ought to be balanced by statute and that it ought to reflect a variety of different perspectives. In that sense its role is much more political than that of the Competition and Markets Authority.

The Chair: We have half an hour left. Incidentally, Mr Peretz's evidence is available in written format in the Committee Room.

Q106 Anna McMorrin: The Government claim that the process of replicating the trade agreements to which we are currently party as EU member states would be a simple roll-over process. Do you foresee any complications?

Professor Winters: Yes, I'm afraid that I do see complications of a technical nature and, in a sense, of a political nature as well. The technical complications concern rules of origin to begin with. Every trade agreement essentially has rules of origin that determine whether a good qualifies for zero-tariff entry. A typical rule of origin says that 50% of the value must be contributed from the country claiming the duty-free access. If we take a good that is exported to Korea that is made in the UK but with a 40% input from the EU and 30% input from the USA, it gets into Korea tariff-free because the UK plus the EU27 contribution is at 70% larger than the rule of origin requires. If we are outside and by ourselves we have only 30% of the content—the value of that good—and we would not get into Korea tariff-free if the Koreans applied the same rule.

Equally, there are cases coming the other way of goods that are exported to the EU where, for instance, Korea could export a good directly into the EU27 because it has a free trade agreement for a good produced in Korea. But if they send it into the UK and we insert it into something that we then seek to send to the EU, then it might not get in because Korean content will not count towards the UK content to meet the EU's rule of origin.

What do you do about all this? You essentially have to do something called diagonal cumulation. Korea, the UK and the EU essentially have to agree that each of them retreat from its rule of origin the content of the other two as the defining origin. In that specific case, it would restore the status quo. That needs to be negotiated with the Koreans and the EU.

Other places where we have technical problems are in the splitting up of tariff-rate quotas. For instance, there are tariff-rate quotas in the agreement with Canada: that is an agreement to import a particular volume of goods tariff-free. This has to be settled on an EU28 basis, and now it has to be divided between the UK and the EU27. On occasions, there are clauses of these agreements that refer back to a body of law in the parties. In the financial services agreement with Korea, there is a reference to accepting goods into the Korean market that were introduced into the European market without asking any further questions as long as they are consistent with existing law and do not entail a modification of existing law. That existing law—if that clause makes any sense at all—was law when the agreement was signed; it is EU law. If we tried to introduce even an equivalent law, we would have to argue the case that it needs to be treated as such for us to get access to Korea for financial services. Those are the technical reasons why there are serious problems.

Politically, we need a deal. If the transition is handled in any way that is fairly straightforward—although George has a proposal that is complicated but perhaps gets around it—it is possible that the transition will allow Korean goods into the UK tariff-free, but not UK goods into Korea tariff-free. Therefore, we really need a deal, and if you really need a deal, that is not the time to be negotiating.

Q107 Anna McMorrin: To follow up quickly, perhaps addressing Michael Clancy directly, what role do you believe the devolved Governments would have in trade negotiation prior to agreements being concluded? Do you think the Bill sets out suitable frameworks within which matters of devolved competence can be represented?

Michael Clancy: Under the Scotland Act 1998, paragraph 7 of schedule 5, international agreements, including trade agreements, are not within the competence of the Scottish Parliament. In that sense there is no formal role in agreeing international agreements. That being said, one of the things we have sought to promote throughout this process, with the European Union (Withdrawal) Bill, this Bill and associated measures, is that there should be some form of whole-of-governance conversation about getting things right. As we know, this Bill will affect the competence of Scottish Ministers and allow orders to be made that may amend, for instance, Acts of the Scottish Parliament, and measures from Wales and Northern Ireland too.

There is clearly an issue about how the Sewel convention or legislative consent convention is interpreted in respect of that. Under devolution guidance note 10, any proposals in UK Parliament legislation that seek to alter the legislative competence of the Parliament or of Scottish Ministers require the consent of the Parliament. That also applies to the National Assembly for Wales and the Northern Ireland Assembly. Therefore, there is an issue. Today in the Scottish Parliament there is a debate about legislative consent in respect of the European Union (Withdrawal) Bill, and the Finance and Constitution Committee of the Scottish Parliament is currently consulting on the legislative consent memorandum on this Bill, where the Scottish Government have indicated that they would not recommend that the Parliament pass it.

It is a matter of political debate and discussion, and something that I know both the Scottish and UK Governments have in their sights in the concordat they are thinking about. That includes a framework for dealing with trade matters. There is a role, but I do not know it yet, because neither the Scottish nor the UK Government have told us what it is.

Q108 Iain Stewart (Milton Keynes South) (Con): I would like to ask Professor Winters a question about part 3 of the Bill, which concerns trade information. Would you agree that the information that this Bill enables will help the Government to shape their export support programme? Are there any additional powers that you would like to see this part of the Bill contain?

Professor Winters: Information is very important, not least in my trade, for analysing what goes on. The case for collecting reasonable amounts of information, as long as it is cheap to do so, is very strong indeed, subject to the standard confidentiality requirements. I confess, on reading the Bill it did not strike me that there were obvious things that were missing, but I would not want to assert that I read it sufficiently carefully to say that nothing is missing. It is important that the Government have the right to collect information, and that information should be made as widely available as possible. The Government clearly need to make policy, but there needs to be public debate, too; it is not just the Government who need to discuss policy issues. I did not interpret this as being part of the Bill, but in general, information other than private or commercially confidential information really should be made available to a wide community of people to enable them to analyse policy.

Q109 Iain Stewart: Do you have any concerns about the practicalities of Her Majesty's Revenue and Customs operating the system, as envisaged by the Bill?

Professor Winters: I am not sure that I can comment on the practicalities. They certainly want a large amount of information. My general rule would be that that needs to be information that firms collect anyway in the normal course of their business, and that it should be a simple matter to transfer it to HMRC.

Q110 Faisal Rashid: Professor Winters, given what you discuss in the UKTPO paper with the example of South Korea, do you think it is fair to say that what the Government are presenting as bilateral discussions are actually trilateral discussions?

Professor Winters: Yes. I gave the example of rules of origin and tariff-rate quotas. Those very clearly have to be negotiated with the EU, because the EU is intimately involved in them, and they have to be negotiated with the partner. We cannot just arrive in Korea and say, "Here it is. We don't want to talk about it." They very clearly have trilateral dimensions, which I guess need to be sequenced and taken seriously.

Remember that there is a further wrinkle: these are going to be new trade agreements and we are going to have to notify them to the WTO. Although the WTO procedure for reviewing regional trading arrangements does not require us to ask permission, the WTO secretariat will make a good deal of information available to members, and other members may wish to clarify things to discuss and even, ultimately, to dispute. It is actually somewhat broader than trilateral, but you cannot avoid a tripartite discussion on quite a lot of aspects.

Q111 Faisal Rashid: Thank you. According to the Queen's Speech last June, the Bill is meant to set out the legislative framework for our independent trade policy. Do you believe that it establishes a proper framework to deliver what was promised?

Professor Winters: I would not hold myself up as an authority on exactly what was promised, but it does not deliver a satisfactory framework for negotiating new trade agreements. There are many different models, but experience from around the world suggests that one needs a good deal of consultation, input and legislative oversight of trade agreements. You cannot have a position where Parliament can unpick a trade agreement that has been concluded. If Parliament claimed that right, no one would negotiate with us. That means that Parliament and the devolved Administrations need to have an important role in setting mandates, and there need to be consultation and information during the process. Civil society would certainly claim that it, too, ought to be consulted, and I would advocate that, to the extent that one can generate one, there should be a discussion publicly.

Trade policy comes along in treaties. It is intrusive. It affects people's livelihoods. It is a very good thing that we are talking about trade policy now in a way that we have not for decades—since before the EU existed, in fact.

George Peretz: I would add as a footnote that one of the best short things I have seen written about this is a piece by Stephen Harper, the former Prime Minister of Canada. He is not generally known as a politician who always wanted to do everything by consensus, but it is simply an explanation of how the Canadian side prepared itself for the CETA negotiations. It very much emphasises the need to consult with everybody in Canada, to bring the provinces together as well as all industry, trade unions, all the political parties and other actors to try to get as much consensus as possible on what Canada was trying to achieve at the outset of the process, before it started. It is a very good piece from somebody whose perspective on it is interesting.

Q112 Barry Gardiner: Picking up on both what Professor Winters said about not unpicking—Parliament should not be able to unpick a trade agreement—and what Mr Peretz said about Canada, Mr Clancy, once the UK Government, rather than the EU, set international trade agreements in place, what would be the implications if the devolved Administrations had a consent reserve and could implement some form of veto on internationally agreed obligations? How do you get that whole-of-governance approach where the consensus Mr Peretz was talking about is achieved so we know that what is agreed can ultimately be delivered without introducing an ex post facto power of veto that would stop it being implemented?

Michael Clancy: That is a very difficult question to answer without getting into uncomfortably hot waters.

Barry Gardiner: You could write to the Committee.

Michael Clancy: Let's give it a shot, shall we? The important thing is that the UK Government are the negotiator of these international agreements. Parliament is the body that then ratifies agreements made by the sovereign power, exercised by Government. Therefore, in that sense, it is quite difficult to see how the devolved Parliaments would be able to exercise any form of consent reserve in respect of the making of an agreement and the ratification of an agreement.

The issue is that the parliamentary oversight of the agreement is deficient in this place and it is even more restrained when it comes to the devolved legislatures.

That is the issue I would like people to focus on. Clearly something needs to be done to enhance oversight here. Earlier, we heard Brigid Fowler explain that the Constitutional Reform and Governance Act 2010 provisions are inadequate. Why are they inadequate? Because they have only got this perpetualisation of the 21-day period, and this Bill does not allow for any form of implementation order other than a negative procedure order. Therefore, there is an issue about that.

The read across to the European Union (Withdrawal) Bill and the sifting procedure that the Procedure Committee advanced and had accepted into the Bill—Mr Walker's amendment last week or the week before—raises issues about what the relationship is between orders under this Bill and those under the EUWB. Why does this Bill amend the EUWB? Why not have amendments brought forward for that Bill, reflecting this Bill? I am sure that parliamentary draftspeople have an amour propre in respect of such things, but an ordinary individual—a rather rustic lawyer like myself—is not going to catch it immediately. These are the issues we ought to look at: parliamentary oversight, extending across these islands, and how we write something that attains the intention of Parliament.

If I might just cross over, I do not think the Bill is meant to implement new agreements; it is meant to transpose existing agreements. That is quite an important facet to dwell on. Although, if one scoots to the explanatory notes, one sees in paragraph 44 that there may be

"technical changes to the agreement"

and in paragraph 53 it says:

"It may also be necessary to substantively amend the text"

of the provisions. The question, therefore, is what is an existing agreement and how far does it have to be changed for it to change from being an existing agreement to a different agreement. That is a question that I do not care to essay on at the moment.

The Chair: We are grateful for that.

Q113 Mrs Kemi Badenoch (Saffron Walden) (Con): I have a general question for the panel. Listening to what people have said about agreements and given the need that we have to maintain existing trade relationships with 70-plus partners and, I think, 40-plus agreements in general, do you think the Government need to change their approach fundamentally and, if so, how?

George Peretz: If I might go first, one can see the difficulty. It is a commonplace of the legislation on Brexit generally that there is a lot to do in a very short space of time. There is certainly a case for doing things by statutory instrument that ordinarily one might be very reluctant to see done in that way, simply because of the process of time and the time it takes to get primary legislation through.

We were discussing a few minutes ago general policy in relation to how Parliament should scrutinise future trade negotiations. It is entirely a fair point to say that the Bill is not about that. There may well be a case for the Government to produce a Bill about that, but that is a different question. This Bill is not about that, but about the roll-over.

We have touched on the difficulties. You have a number of difficulties in scope: what an international trade agreement is goes beyond trade and customs agreements. As I think Holger Hestermeyer pointed out, technically the definition includes the EEA agreement and the Turkey customs union agreement. If you think the Government have rather wide powers to implement the EEA agreement—one assumes the Government have no intention of using it that way—it is quite a wide power to give them.

There are questions about scope and about whether negative procedure is right, and there is the question Michael touched on about what is an existing agreement. The cynic in me as a lawyer tends to say from general experience that if you go to the other party to a contract and say, "I need to change this contract," the normal response of a well-informed and well-advised counterparty is, "Well, yes, but let's take the opportunity to get some other things in it." So things are often not that simple. You may have quite wide and important changes being made, but I do not think there is a right legal answer. It is a question for you to think about as to whether this is an appropriate power to give the Government, given the need to do things quickly.

The Chair: Kemi, are you content?

Q114 Mrs Badenoch: Yes, unless anyone has anything further to add.

Michael Clancy: We do not have enough time—there are 430-odd days between now and 29 March 2019. Trying to get through primary legislation, if we were to scrap this and go for another Bill, would be problematic to say the least. The intergovernmental conference in October is really the defining factor that we have to aim at. Then there are all these orders, which are going to be put through. If one waits until this Bill gets the Royal Assent before the orders start to be consulted on, there are difficulties about that. I am afraid that I would be for looking to keep this Bill and to move it along and see what improvements can be made to it to make it a much better and more robust piece of legislation.

Professor Winters: May I comment? In principle—I am not a lawyer and cannot really comment on how one can do this—essentially there is the very short-term, immediate problem of all these things that have to be done, but we do not want that to define the long-term by default. I think we need to have a very clear understanding from the body politic in general. The trade policy is an important instrument for a sovereign country to operate. It can be done well or it can be done badly, and we do need to continue to review it and go back to some of these things, so that even if we have to patch something up in the near future, which as near as dammit is the status quo, that should not say it is therefore closed forever. We need to go with our partners and say, "We need to reopen this."

The Chair: Let us be crisp, Bill Esterson.

Q115 Bill Esterson: George Peretz, you were talking before about the Trade Remedies Authority. Can I bring you back to that? I believe that the Government are conducting a review into which trade offensive measures can be rolled over or passed forward—having heard that last piece of evidence, I am not sure what description to use. Can you describe the challenges and the consequences if some of those are not used by us when we are outside the EU?

George Peretz: Not all WTO law is clear, but what is pretty clear is that we could not simply automatically carry over existing trade remedies imposed by the EU

and say, "These remedies will apply to the UK now that it is a separate WTO jurisdiction"—if I can use that term loosely. We cannot do that for one very simply reason: it is a condition of all trade remedies that there is a domestic injury. A domestic injury is defined, and the UK is obviously not the same as the EU. It is potentially an issue that applies the other way around, incidentally, but that it a problem for the EU rather than for us.

As far as I understand it, the Department for International Trade is feeling its way to dealing with this problem. As a first step, it is asking industries that benefit from an existing trade remedy to set out why they think it should continue and to explain what the domestic injury is. There is probably also a need for the UK to discuss with the European Commission what the position is. After all, in its investigation of all these remedies, the Commission will have built up a case file that will include quite a lot of information about what the injury is, some of which will be pinned down geographically. It will be able to say that that is evidence of an injury in the UK. Perhaps that could be used to justify carrying on the remedy after we have left the EU, but it would have to be the judgment of the new Trade Remedies Authority whether that evidence was good enough to withstand domestic scrutiny and appeals and, ultimately, a possible WTO challenge. There is a very difficult set of issues there, which will be a challenge for DIT and the TRA.

Q116 Craig Whittaker (Calder Valley) (Con): I want to go back to the scrutiny of the Bill. My understanding of what some people call the Henry VIII powers, for an SI or a DL, is that there is provision in both of those processes, whether they are negative or affirmative, to raise an objection for debate on the Floor of the House of Commons. My question is where is that process flawed?

George Peretz: I do not claim to be a great expert in parliamentary procedure, and I am not sure that I can add very much to what Brigid Fowler said about that—she is an expert on parliamentary procedure.

Plainly, there is an opportunity to challenge a statutory instrument that uses the negative resolution procedure, but clearly it is less likely to be challenged—just look at the statistics—than a piece of primary legislation, because one fundamental point about any statutory instrument is that the vote is simply an all-or-nothing vote on the instrument. There is no ability to have the primary legislation to say, "We agree with most of this clause but we don't like clause 5, therefore we would like to amend that." It is take-it-or-leave-it. The problem with a lot of this is that you will be told that the clock is running and you need to decide very quickly what to do.

Professor Winters: There is very little time, so be realistic about what the cost of a challenge would be and the pressures that that would generate.

Michael Clancy: It is the balance between speed and scrutiny—that is the whole point. To get that right is quite difficult with a negative or indeed an affirmative resolution procedure. Although theoretically each of these could be debated, I think it would be very difficult to get each of these debated. There simply is not enough time to do that—we are told that there are between 800 and 1,000 orders in relation to the EUWB. I do not know how many of them might be here—63 existing trade treaties, maybe more, and other things as well. That is the difficulty.

What are the defects? The defects are that we have an alternative procedure of super-affirmative if we need extra time to look at something—that is where the sift comes in. If the sift identifies a particular order as being important, it might then get better scrutiny, and better scrutiny might mean the affirmative resolution procedure on a super-affirmative basis. We do not know that the sift applies to these orders because the sift is not mentioned in this Bill. Will it be? Are you going to propose amendments? Is the Government going to take that forward to this Bill? That is another story for another day perhaps.

Then there is the issue—I think it is in one of the Hansard Society papers—of the difficulty, in fact the incapability, of amending these orders. They have to be taken back by the Minister and re-presented. That induces time and delay, and we are running out time and inducing delay.

Q117 Craig Whittaker: I want to come back on that. What you all say is that there are elements of truth in everything, but the reality is, yes, we have a huge amount to get through, and there is a place for the SI process to get some of these through quickly. My point to you is that, although there is a huge amount made of these so-called Henry VIII powers, this Parliament does actually have overall scrutiny control of these trade Bills if we choose to take it.

Michael Clancy: That is true, but the ultimate test is overturning the order. We saw that the last time an order was overturned in the other place—it resulted in the Strathclyde review because it was such an outrage, so we have to be careful about that, because it may have more political impact than we would imagine.

The Chair: We are having trouble with time and scrutiny as well. We have only two minutes left for Matt Western.

Q118 Matt Western (Warwick and Leamington) (Lab): Professor Winters, this Bill is supposed to be about the roll-over of pre-existing agreements. If that is the case, why is it necessary to include the Henry VIII powers?

Professor Winters: Because the roll-over is not straightforward. Maybe you can say that this is an implicit recognition that it is not entirely straightforward and that there will have to be changes. Some might be purely technical, but some are clearly going to be substantive.

It is precisely because it is difficult, contentious and requires negotiations, that the Henry VIII powers are so important, because it is the Minister, their designated authority or delegate who will make those decisions.

Q119 Matt Western: Can you give an example of a substantive?

Professor Winters: The division of tariff-rate quota on cheese into Canada, or which bit of law financial services access to Korea will refer to. There are, I have no doubt, plenty of others.

Q120 Matt Western: Can I ask that of the others?

George Peretz: I am not sure I have much to add to that very complete answer to the question.

Does it require Henry VIII powers? It probably does require them because you have to amend primary legislation. The questions about the degree of scrutiny and so on, are, I think, questions for you, but the need for a pretty fast procedure to amend our law to deal with what will quite often be technical points that involve changes seems fairly clear.

Q121 Alan Brown: We have heard that Wallonia has got a veto. The devolved nations do not have a veto in this. Indeed the UK Government can make provision in devolved competencies. If you were a Scottish or Welsh Minister, would you recommend withholding a legislative consent motion unless this Bill was amended?

Michael Clancy: When I get elected?

The Chair: With that, can I thank all three of our witnesses for their extremely interesting evidence? You have covered a lot of ground in a short space of time. We are most grateful to you all for that.

Examination of Witnesses

Tom Reynolds, Gareth Stace and Cliff Stevenson gave evidence.

3.31 pm

The Chair: I have a couple of quick admin points. I understand that there may be a Division in the House at 3.45 pm. If there is, I will suspend the Committee for 15 minutes until 4 o'clock and we will add an extra 15 minutes at the end to make up for it.

Mr Stace, I gather that you have to give evidence to the Taxation (Cross-border Trade) Bill Committee and you may therefore have to leave this session early. Is that right?

Gareth Stace: That is correct. If that were possible, I would be grateful.

The Chair: It is possible. Just tip us a wink when you have to go and we will say goodbye.

Gareth Stace: I think one of your Clerks is going to escort me.

The Chair: Perfect. I call Barry Gardiner. *[Interruption.]* Well, failing that, I call Mark Prisk.

Barry Gardiner *rose—*

Mr Prisk *rose—*

The Chair: No, the Opposition failed, so we will give the Government a try. I call Mark Prisk.

Q122 Mr Prisk: Thank you, Mr Gray. I have asked other witnesses about the remedies regime, and I am interested in your views. In a way, you all represent industries that are familiar with this challenge. "Remedies" sounds arcane, but it is really about all the challenges a locality may face with dumping in particular business sectors. What would you want to see in an effective remedies authority, and what would need to change in the Bill to deliver that?

Gareth Stace: Let me start with what would need to change in the Bill. We would like to see more detail in the Bill. The Bill sets out powers to create an independent arm's length authority—the Trade Remedies Authority—to advise the Secretary of State, but there is no detail. There is little detail of the powers that it might have or of the scope of its remit. I am sure that will come in secondary legislation or after that, but as you quite rightly said, industries that are or have been subject to dumping and unfair trade practices are quite nervous about what is going to happen in the UK, and the more detail we have, the better. That is why at this stage we are quite nervous about what might or might not come out down the line.

Q123 Mr Prisk: We know that there is not a lot of detail—it is a framework—but is there something specific, such as an appeals process, that you want to be teased out in our deliberations?

Gareth Stace: Yes, an appeals process—there is no detail in the Bill—is not even set out as: "The appeals process will be this, this and this." We do not even know what the basis of appeals might be, because we do not know how the TRA will define subsidy, injury and dumping. We do not even have something to base that on.

Tom Reynolds: It is clear that we need a TRA, and it is certainly welcome that the Bill establishes one. I want to rebut a point made by an earlier witness, who said that trade remedies are invariably captured by producer interests. That certainly has not been the experience in the European system. I am sure that Gareth agrees that that was apparent in the steel crisis—the trade remedy system was slow to react to the producer interest.

We have to read the Bill alongside the Taxation (Cross-border Trade) Bill. My feeling is that the rules for the TRA, which are set out in that other Bill, tip the balance the other way, against the producer interest. There are areas where that Bill and the way that it works with this Bill can be improved, which I would be happy to explore with the Committee.

Q124 Mr Prisk: Is that specifically the national interest?

Tom Reynolds: There are really four points. The public interest test and the economic interest test is of concern because, as Gareth has already pointed out, the lack of detail means it could operate in any number of ways. Our fear is that it might include an over-simplistic cost-benefit analysis that appears very seductive in its indication that the benefit for producers may be outweighed by the damage to the consumers, when it does not show the full story and perhaps the long-term impact to the consumer that removal of a competitive environment for domestic producers creates if the trade remedies are insufficient to keep production here in the UK.

A big concern for ceramics—the country of concern that is dumping into the European Union at the moment is China—is how you calculate the dumping margin in instances where the domestic price cannot be used because it is subject to such state distortion. That detail is crucial to the effectiveness of the trade remedies system.

There are other issues, such as the lesser duty rule—it was touched on earlier. For the proper operation of the lesser duty rule, we would need to see the detail and how you calculate injury. That is crucial. Pushing all of this into the long grass just adds a lot of uncertainty and concern for producers.

Cliff Stevenson: Because the Bill is simply setting up a framework for the TRA and not really having anything more substantive than that, there are only small points that you might look at, but there are some important points. For example, the composition of the members of the TRA is critical because trade remedies is a highly political area of policy where there are very different views. Some see trade remedies as purely protectionist and would abolish them completely, and some see trade remedies as an essential competition policy-type tool to correct multilateral distortions.

I am in the second group. I believe that, in the absence of multilateral competition rules, trade remedies are the only thing we have that allows state distortions and other unfair practices to be addressed. Within the EU, we do not need anti-dumping or anti-subsidies law because we have really good competition and state aid law.

What we want from this legislation—you have to see the two Bills together—is a coherent, robust system that could redress those problems. In terms of this Bill, the composition of the members is very important to look at because, if all the members thought trade remedies were protectionist, we would never get any trade remedies through—or all members might believe that trade remedies were essential. You would want to ensure that there is some balance in there.

There are some other smaller issues that could be significant. For example, regarding the provision that the TRA should report to Parliament annually, I think there could be a little bit more detail on what it might report on, so that, if the TRA was being biased one way or the other, by being obliged to provide certain statistics, such as number of cases opened, measures adopted and so on, it could be assessed.

Q125 Barry Gardiner: Picking up on your last point, Mr Stevenson, in the EU, the Commission is obliged to report to the European Parliament on trade events, so there would be an annual production of just such statistics. There is a lacuna in the Bill in that there is no provision to make such a report to Parliament and to aid parliamentary scrutiny on trade remedies in that way. Is that something that you and the trade remedies alliance would seek to redress? Would you like to see introduced in this Bill some way in which a report ought to be made—an annual report perhaps—to Parliament?

Cliff Stevenson: Yes, what would definitely be of importance is to have a substantial report submitted to Parliament on an annual basis. In the Taxation (Cross-border Trade) Bill, there is a provision on reporting. There is already a proposal for there to be an annual report. The EU anti-dumping regulation is quite specific about what the European Commission must report to the European Parliament in terms of the statistics it must provide. A little more detail ensuring that certain things were provided in this report would be useful.

Tom Reynolds: The question about Parliament's ongoing role with the Trade Remedies Authority is an interesting one, but so is Parliament's role in setting up the rules for the system. The point made by Jude Kirton-Darling earlier on about the level of involvement of MEPs in scrutinising and offering amendments on, for instance, the new anti-dumping methodology and the TDI modernisation, which was mentioned, has been integral in improving that legislation from the Commission's original proposals. I would be more comfortable if there was a more rigorous approach for parliamentarians to get involved in the setting of the rules for the system as well.

Q126 Bill Esterson: Can you describe what you think the authority should be comprised of? Who do you think should be on it?

Gareth Stace: Do you mean the board?

Bill Esterson: Yes.

Gareth Stace: The board needs to represent interests. From my point of view, I would like to see someone from industry and someone from the trade unions on that board to provide that balance, clarity and expertise as well. That could be set out in primary legislation. It is not there now.

Tom Reynolds: One of the most successful acts of Parliament in setting up a non-departmental public body over the years has been the Health and Safety at Work etc. Act 1974, which stipulates that the Secretary of State, in making appointments to the commission—now the HSE board—must consult with organisations for three of the members. There could be representatives of the employers, and three of the representatives could be from the trade unions. That sort of model might lend itself well to the establishment of the Trade Remedies Authority and the appointments made to the non-exec board.

Gareth Stace: However, we would not want anything that you would add to it that would then create more work and delay measures in place or delay the investigations that would take place by the authority.

Q127 Bill Esterson: That neatly moves me on to another question. Can you describe what is at stake if we do not get this right after we come out of the EU? If you have specific examples, that would be helpful.

Gareth Stace: There is a whole range of "if we don't get this right". If we get this very wrong, we become the dumping ground—not just in Europe, but for the rest of the world. Think of the steel sector, which thrives on free, liberalised trade. That is what we are. Over a third of all steel produced travels across borders globally.

Also, something crucial, in particular for the steel sector, is that in 1994 we agreed as a sector with Governments to abolish all customs tariffs for steel for developed countries. There are no tariffs. So when you think about us coming out of the EU, whatever agreement or not is put in place, we as steel will not be subject to customs tariffs. That is not an issue for us—non-tariff barriers are an issue for us, but not tariff barriers. That enabled us to be even more liberalised in terms of trade. What supports that? Trade remedies support that: they are the safety valve that enables free trade to take place. Sometimes the debate turns the other way round, as if trade remedies were there to provide protectionism. We would say that if there were not a strong trade remedies regime in the UK or anywhere else in the world then you would see a rise in protectionism, with weak trade remedies.

There is a whole range of things that could go wrong. When the investigations take place in the end, will they find that there is no injury or dumping for whatever reason, even if there is? If they do find that there has been injury or dumping, what are the tariff levels that are set? Are they high enough to stop the illegal trade in

the UK—the dumped steel that is against WTO rules? If the endgame is not that those tariffs are high enough, then we have a problem.

Q128 Bill Esterson: Sure. Is anything different in ceramics?

Tom Reynolds: We have a very similar experience. We are a sector that thrives on international trade: we export over half a billion pounds' worth of products each year. We are not protectionist. However, as the Government have rightly pointed out, free trade does not mean trade without rules, and unfortunately some of our trading partners do not play by those rules. Examples from our sector include cases involving tiles and tableware. In the case of tiles, imports rose from a fairly stable level of around £4 million worth of tiles a year from China up to 2004, and rocketed in less than a decade to over £30 million worth of imports from China. If you were to look at volume, it was an even sharper rise.

The European Union introduced anti-dumping measures in 2011, which were not enormous—they are not the 230% tariffs that the United States has looked at. They were between 13% for co-operating companies in China, up to just short of 70% for non-co-operating companies. The introduction of those measures allowed our UK industry to stabilise and invest. As a result, employment has gone up by 40% in the sector, with even further boosts to the supply chain as well. All that could be at risk if we get things wrong.

It is worth noting that in 2011 the UK Government voted against the tiles measures in Council. That was understandable because the UK's role within the European Union was as a liberal counterweight across the 28 member states. As we forge an independent trade policy we have a different role, but some of the most experienced civil servants and experts are steeped in that heritage of the UK being the liberal counterweight within the European Union. That is why we come back to this point about a non-exec board being a watchdog, ensuring a balanced system in the UK. It is an integral part of getting things right.

Q129 Bill Esterson: Do you think that needs to be appointed independently from the Secretary of State to achieve that?

Tom Reynolds: It is not something that the BCC or the Manufacturing Trade Remedies Alliance has made a submission on; it is something that we would have to consider, and maybe we can write to the Committee.

Q130 Faisal Rashid: The membership of the Trade Remedies Authority, which, according to the Trade Bill, is entirely at the discretion of the Secretary of State: do you think it is appropriate and effective? How does the proposed TRA compare to similar bodies in other countries?

Cliff Stevenson: Obviously, the wording is not effective at the moment in terms of ensuring that there is a balanced composition of those members. If you look elsewhere and compare, the closest major trade remedy regime to the UK's proposed system is Australia's. It has a separate anti-dumping commission that works in a similar way to how the Trade Remedies Authority would work, but there is a big difference in the sense that it is headed up by one person, an anti-dumping commissioner: there is not a committee or a group of members in the way that is proposed for the UK.

One concern I slightly have with this is that it is an extra level of decision making. There is no detail on how the members might make a decision—whether they would vote if they disagreed—and that could hold up investigations, which are always subject to very severe time limits given the amount of work that has to be done.

In the US and Canada, for example, there are examples of independent bodies such as the United States International Trade Commission, which does the injury determination for the cases. It is a completely independent body that has six commissioners who vote at the end of the investigation. If there is a positive finding of injury and three out of six vote in favour, it will be an affirmative determination. In that case, where there is a quasi-judicial system where it is completely separate and not under any political control, there are these commissioners taking a vote on the basis of the technical information.

Gareth Stace: You have to look at what the TRA and the whole system is trying to achieve. Why is it being set up? It is being set up because we are leaving the EU. Is that an opportunity to have a system that is fleet of foot, quite simple and employs fewer people than the European Commission does?

That is why a year ago we, as UK Steel, said that actually what this arm's-length, independent body could be doing is just looking at the dumping margin, because that is a really simple, straightforward—almost—calculation. It is what they do in the US, which is seen as a champion of free trade, and we want to create strong links with the US going forward. There was that opportunity to do that, and so the make-up of the TRA and the committee would not be as important as if it was then doing the injury calculation—that is much more of a black box. You stick a load of numbers in, and you hope that something will come out. You twiddle some dials as well, and the tariffs come out of that. So you probably do then need some independent committee to look at it, but how much are they going to influence—*[Interruption.]*

The Chair: Order. There is a Division in the House, so I suspend the Committee until 10 minutes past 4.

3.52 pm

Sitting suspended for a Division in the House.

4.10 pm

On resuming—

The Chair: Welcome back. We are going to change the order of questioning slightly, because Mr Stace has to go and give evidence to our sister Bill Committee.

Q131 Barry Gardiner: Picking up on something you said earlier about the importance of not having a weak trade remedies regime, in your view would it be a mistake to think that such a regime, which did not protect producers' interests, might encourage other countries to do easier, quicker trade deals with us? Would it be a mistake to use that in some sense as a bargaining chip to get a trade deal?

Gareth Stace: I think it would. You are not going to say to the USA, "Hey look, can we do a really great free trade agreement with you? Look, our trade remedies is really weak and yours is really strong so can you weaken yours and then we will do a great deal?" They will not do that. They will keep their regime and hope that ours is weak, and they will then see more trade coming from them to us.

It is the same when we think about the zero tariff for steel with developed countries. When India exports steel to the UK, it is at zero tariff; when we supply steel to India a tariff is applied. So when we say to India, "Can we do a free trade agreement with you? Hey, you know, we could do zero tariff", India will say, "We already have zero tariff, so why would we want to do anything else?" What would add something would be having a strong trade remedies regime in place.

If we had a weak regime, what would that mean? We talked about that before. It would mean a loss of jobs, and in the steel sector I do not want to talk about loss of jobs, because we saw a lot of that in 2015-16. But we would also see a rapid rise in imports. In rebar—reinforcing bar that goes into construction—in one year China had zero per cent. of the UK market. It did not import anything, and within four years, because there were no duties in place, China had 43% of the UK market. Then, once duties came in, the percentage went back to zero.

I know I have to go, but I want to make just one point about the lesser duty rule, which I am sure will be raised later. I know it is not in the Bill but it is very important, in that there is talk that if we did not have a lesser duty rule prices would rise and the consumer would be disadvantaged. Let me put that into context. In the hot-rolled flat case we had recently, the injury margin was 17.5% and the dumping margin was 29%. There is a difference there of 11%. If we think of a luxury car priced at €45,000, not applying the lesser duty rule in that case would increase the price of that car by a whopping €16.50. Everyone is saying that if we did not apply it in the UK it would be dreadful—consumer prices would rise and it would be awful—but €16 is all it would increase the price of a €45,000 car by.

The Chair: Mr Stace, thank you very much indeed for doing two Committees in one afternoon. That is very noble work. Thank you for your evidence to us. I think someone is going to escort you off to the other Committee.

Q132 Judith Cummins: Unfortunately, my original question was to Mr Stace, but I will ask it to Mr Stevenson. Clause 6 of the Bill suggests that the TRA's remit will extend to more than just trade remedies and to the analysis of trade disputes. Does that raise any concerns?

Cliff Stevenson: In principle, I think it is not necessarily a bad idea—that if you have an organisation full of trade expertise, you might use it for other purposes as well. I mentioned Canada earlier. The Canadian international trade tribunal, the independent entity that makes determinations on injury, can also be given other tasks and produce expert reports. So I do not think it is a bad idea in principle that the TRA may do other things. The concern would be about resourcing.

Trade remedy investigations are highly resource-intensive. They are incredibly detailed. Gareth mentioned earlier about the dumping calculation being easy. In a sense, what he was saying is that it is straightforward, the steps are very clear—but it is a massive calculation with thousands of data entries on a spreadsheet or in a model. To the extent that there would be a concern, it would be to ensure that there was sufficient capacity ring-fenced for the different functions. Principally, it seems to me that the Trade Remedies Authority's purpose is the administration of the trade remedy regime. That would be the only issue I would raise.

Q133 Matt Western: We heard from Mr Stace a moment ago about an effective trade remedies system. In that one example, an effective system does not necessarily lead to higher consumer prices or significantly higher prices. Do you have other examples you can give, Mr Reynolds?

Tom Reynolds: One example I can give you is from MTRA partner sectors, the chemicals fertiliser sector, around the long-term implications for the consumer if adequate trade remedies are not installed. In Ireland, for instance, the domestic manufacturing industry for fertilisers sadly went by the wayside, because the anti-dumping measures were not introduced in time to provide a defence for their industry. As it became a less attractive market because of less competition, the prices started to rise for all the previously dumped exports, so the lack of competitive environment in Ireland ended up costing farmers more for their fertilisers.

Cliff Stevenson: Obviously, it depends on the product, because when you are talking about products used in another industry, such as in the case of steel, even a fairly substantial anti-dumping duty, if you work it through to the final price to the retailer of the downstream product, is going to have a much smaller effect. Obviously, in the case of a consumer product, where the product goes directly to the consumer, the impact of the duty would be exactly at the level of the duty, so that is certainly true.

It is important always to consider what the purpose of trade remedies is. They are about remedying a distortion, an anti-competitive situation or a subsidy. In that way, any time you increase a duty the users, the importers, or the consumers of that product are going to face the negative impact of the increase in duty. What is really important to remember about trade remedies is that they are not about protecting domestic industry, I do not believe. They are about restoring effective competition. That is a key point. Even if a consumer product does increase in price, in the long term the consumer is better off if effective competition is maintained.

The Chair: Are there any questions? No. May I thank you both very much for your very useful evidence? I am sorry that a Division disturbed the middle of your session—these things happen in Parliament. It was very kind of you to come, so thank you very much. If the next witnesses are here, perhaps they would like to take the stand.

Examination of Witnesses

Anastassia Beliakova, Stephen Jones, William Bain and Edward Bowles gave evidence.

4.19 pm

Q134 The Chair: I welcome and thank all four of our witnesses and particularly our former colleague, Mr Bain; we are glad to see you back here. I am sorry to be tough and difficult, but thank you all very much for taking

time out to come and give evidence to us this afternoon. Perhaps you would like to introduce yourselves for the record, starting with Mr Bowles.

Edward Bowles: I am Edward Bowles, managing director at Standard Chartered Bank.

Stephen Jones: I am Stephen Jones, chief executive of UK Finance.

Anastassia Beliakova: I am Anastassia Beliakova, head of trade policy at the British Chambers of Commerce.

William Bain: I am William Bain, international trade and Europe policy adviser for the British Retail Consortium.

Barry Gardiner: Perhaps I can kick off with—sorry, is it Mr Jones who is from Standard Chartered?

The Chair: No, it is Mr Bowles.

Barry Gardiner: Mr Bowles is from Standard Chartered and Mr Jones from UK Finance. Is that right?

Edward Bowles: Correct.

Q135 Barry Gardiner: I will kick off, then, with the British Retail Consortium. *[Laughter.]* I am just keeping you on your toes!

The BRC has identified, among others, the agreements involving Norway and Turkey as the most significant of our EU FTAs. Of course, the Government have already indicated that there will be an end to free movement, which rules out simply replicating the Norway model, and that we will leave the customs union, which rules out simply rolling over the Turkish model, so what elements of the agreements—not just those two, but the others—do you consider it most important to replicate on substantially the same terms?

William Bain: The key provisions are those on tariffs, because if the UK leaves the European Union, it is not part of the EU's common external tariff system, and we could then face higher tariffs on imported goods. A great deal depends on the kind of transitional arrangements that are adopted, but the kind of additional MFN tariffs that would apply would be 12% in relation to clothing from Turkey, 13% in relation to soft fruit from Chile and Peru and 27% on imported processed canned tuna from the Seychelles. Those would, I think, lead retailers and consumers to face considerable price pressures, so the main element that we would want to see is replication of the zero-tariff or low-tariff provisions on imports.

The other key areas that are very difficult in terms of replication and, we believe, may require a degree of assistance from the European Union are in relation to rules of origin. For example, with the Canada trade agreement, there is a complex rule of origin. The same is true in relation to South Korea. I think that diagonal cumulation is involved in the rules of origin in respect of the CARIFORUM trade agreements.

These are areas where it seems that time is running out, the clock is ticking, and a solution needs to be found if British business and British consumers are not to face a large cliff edge in March 2019.

Anastassia Beliakova: Absolutely. Rules of origin are a headache for businesses, and if we consider that there is the likelihood, in the roll-over of existing trade agreements, that they may have to comply with tougher rules of origin or that some of the benefits that they currently get by counting both EU and UK origin as single origin might be lost, that is very concerning. For about one in seven of our members, the existence of a free trade agreement is the determining factor in whether they export to or import from a country. I urge the Government to give stronger assurances for those agreements, as Mr Bain has mentioned, that already provide for, or have clauses mentioning, diagonal cumulation, but also to look at all the EU trade agreements and particularly those that have the greatest economic significance for the UK, and open up those discussions to provide for that as they are rolled over into UK-third country FTAs.

Q136 Iain Stewart: I would like to put to the panel the same question I asked the previous panel about part 3 of the Bill, which relates to trade information and the collection of exporter information by HMRC in particular. Are you content with the content of the Bill in this part? Is there anything missing or do you foresee any practical difficulties in HMRC collating this information?

Anastassia Beliakova: Not at first glance. However, the wider picture around trade data is that trade data is imperfect. It is particularly lacking when it comes to services, of course, and when it comes to intra-EU trading data. That is where we currently have significant gaps. If, in the future, there can be a more robust collection of data and stronger assessments of UK-third country trade, that would be helpful.

Stephen Jones: I have nothing to add.

Edward Bowles: Obviously, the collection of data is largely in respect of goods that cross borders. It is very difficult to do that for services, so I would have thought that a way of more robustly measuring cross-border flows of services would be quite an important thing to look at, so that you can get a better grip on revenue as much as anything else. Largely, it is more on the goods side than it is on the services side.

Q137 Faisal Rashid: My question is to Mr Bowles: one of your chief economists for the African region noted that African countries such as Kenya were extremely concerned about having to renegotiate trade agreements with the EU and the UK. However, she concluded—her name is Razia Khan—that this process has taken many years already. Can you tell us what your views are on how long these deals will take and what difficulties will be encountered in the negotiations, from your point of view?

Edward Bowles: The great thing about having economists is that they are independent of those of us who do jobs outside of research. Razia is an expert in her own right and would be the best placed person to speak to those issues.

In fact, they are not really trade agreements; they are economic partnership agreements that the EU has with most African, sub-Saharan and, indeed, subcontinent markets. It is certainly true that they have undergone a high degree of revision under the current Commission's administration. I am not aware, frankly, of any overwhelming dissatisfaction. I attended a recent meeting only two months ago between quite a lot of these markets and Cecilia Malmström, so things do seem to be moving in a good direction. The question is what the UK's approach would be to that and how much it might

be minded to depart, if at all, from the approach. The starting point must be simply to mirror the current arrangements, as was said on Second Reading and in the Government's response to the consultation on the Trade Bill.

Faisal Rashid: Mr Jones, would you like to add anything?

Stephen Jones: No, I have nothing specific to add in relation to Africa in general.

On a more generic point in relation to the Trade Bill, it is obviously focused on existing trade agreements and economic partnership agreements. From a services perspective, we need to look beyond that and reflect on arrangements that exist beyond that, which are critical to the cross-border flow of trade in services, because there are very few provisions and services agreements in trade treaties that relate to services. There are lots of mutual recognitions and memorandums of understanding that relate to infrastructure, to recognition and co-operation between supervisors, to the flow of data and to the recognition of exchanges, but which do not exist within the context of a trade agreement. They nevertheless facilitate cross-border trade in services that already exists between the EU—including the UK—and other jurisdictions. It is very important that we do not lose sight of those specific provisions, but seek to mirror them so far as the financial services industry is concerned, simply because the existing trade treaty provision is so poor in services.

Bill Esterson: Stephen Jones, you are the UK Finance representative. Sorry, it has been a long day. Can I ask about the written evidence you gave to the Procedure Committee, where you indicated the benefits of a triage or sifting process and stated how you might apply those when looking at new trade agreements? For the purposes of the phrase "new trade agreements", given some of the evidence we have heard today, can we include anything that changes the agreements that are part of this Bill? Can you explain what you think the merit of such an approach would be, how you might apply it, and the importance of such a sifting process?

Stephen Jones: Given the time available in the context of Brexit, from the perspective of the financial services industry, clearly continuity, speed and the correct process and scrutiny to transpose the existing trade arrangements that the EU has with the rest of the world to the UK are incredibly important for continuity. That does not directly benefit the financial services industry. It benefits mostly the customers of the financial services industry, but in that context it is very important.

To the extent that your question relates to prioritising whether one should seek to amend the agreements in order to ensure more robust coverage of services within the context of those agreements, I think that in the first phase that is unrealistic. There is not enough time. What we need is as much certainty as we can get. Business in general needs as much certainty as it can get in terms of the transposition of the existing EU arrangements.

In terms of the ongoing amendment of those treaties to seek to extend them and prioritise what should be done—the sifting process, if you like, for services—we can develop a modus operandi in terms of markets that are important. However, as I say, there are significant factors beyond trade agreements that influence the ability to conduct cross-border business between the UK and the rest of the world. Those are a susceptibility to inward investment; strong regulatory and supervisory co-operation; aspects of data protection and the willingness to mutually recognise the cross-border sharing of data; and infrastructure, with the recognition on a cross-border basis of critical market infrastructure in each jurisdiction, such that member firms in each place are able to access and utilise the infrastructure in the other country. To the extent that that can be captured within a trade agreement, that is great.

To date, that has failed and our focus very much is on an ambition for the UK with the EU to seek to build an ambitious free trade agreement that has not been attempted in services anywhere else in the world. But we believe it should be attempted in the current context, simply because of the importance of the cross-dependencies that already exist and the fact that we are starting with a fully converged rulebook, which is extremely unusual in a trade negotiation context. So we believe that there is the prospect of an ambitious mutual recognition-based trade agreement in services between the UK and the EU and that potentially should be the first focus, to the extent that we are talking about prioritisation of negotiation of trade agreements.

Q138 Bill Esterson: Presumably you are talking about services with the EU during transition, given what you said previously about the short period of time between now and leave day.

Stephen Jones: I think we are talking about beyond transition. From a transition perspective, the only realistic thing that we believe can be achieved is a prolongation of the acquis, which is a full adoption of the existing rule book lock, stock and barrel. The chances of seeking to amend or renegotiate that in the time that is available are wholly unrealistic, and what is far more important is certainty through the transition period. The only way you can deliver that certainty is simply to take forward the existing rule book.

Q139 Bill Esterson: I do not know whether you heard the earlier evidence. Some witnesses have made points about the shortage of time, but they have also said there is a tension between time and getting it right. Given the short period of time, do you see a danger that agreement without a degree of scrutiny leaves problems that will be very hard to undo later?

Stephen Jones: In terms of the prolongation of the acquis—that is, the adoption of rules on day one—in a sense those rules are already on for the purposes of transition. Those rules have already been adopted by the UK. I recognise the sovereignty of Parliament and the importance of scrutiny, but to the extent that the rules are not being changed we are simply extending arrangements that continue to exist. The Bill's provisions relating to Ministers' 10-year power to use secondary legislation to renegotiate those rules strike me as pretty broad-brush, and they potentially should benefit from greater parliamentary scrutiny than is currently contemplated.

Q140 Bill Esterson: Just so I get this right and we do not misquote you, anything that carries on beyond 29 March 2019 must carry on with no changes to meet the requirements that you have just set out.

Stephen Jones: Broadly, I do not think it is realistic to expect changes. In that context, the secondary legislation ministerial power provisions are broadly acceptable, but beyond that, to the extent that arrangements are adapted to the UK as an independent country with its own trade policy, I would suggest that they merit parliamentary scrutiny.

Q141 Bill Esterson: Do any other witnesses want to pick up any of those points?

William Bain: The nature of the transition impinges on terms in the Bill, and the retail industry is keen to have a standstill transition in all elements—in terms of the current customs rules, the current tariff rules and the current SPS rules—but it also applies to the trade facilitation that we get from the bilateral trade agreements, which fit into part 1 of the Bill. I cannot stress how important it is to the retail sector, which imports products from countries like Chile, Peru, South Africa and Turkey, that we do not have a discontinuity in our trading arrangements at any stage after 29 March 2019. There are some connections and points of commonality with the kind of transitional deal that is done, but in a sense this is a slightly separate question. It really demands clear attention from the Government in order to get the job done by 29 March next year.

Q142 Barry Gardiner: I want to pursue what Mr Jones said. We have got away from the initial question of the sift Committee. You stressed the urgency of this and the need to try to get things through as quickly as possible, and you adopted an approach to delegated powers and Henry VIII powers of, "Well, maybe they're necessary in the circumstances". However, it was your organisation that recommended that there should be a sift Committee in the EU (Withdrawal) Bill. Would that not be an appropriate way of trying to say, "What we're talking about here is a minor change to an existing agreement, but this is actually a major change"?

We are talking about 100 separate agreements between the EU and Switzerland alone, some of which include free movement of people. There are going to be some major changes, such as those we talked about with Turkey and the customs union, and with Norway, free movement of people and the four freedoms. Do you not think, given that you have already recommended a sift Committee in one form, that a similar sort of mechanism for trying to distinguish between what is and what is not vital, and what should have parliamentary scrutiny, is a sensible way to proceed?

Stephen Jones: Yes, sorry; forgive me for the lack of clarity. My reference was really to the existing provisions between the UK and the EU in relation to financial services. In my assessment, for the purposes of transition and of business services in financial services, the chances of change, and therefore of the need for sift, are zero. There just is not the time. In the context of other areas, where there is an assessment that change is possible, the sift Committee strikes me as a very sensible mechanism to prioritise and assess those changes and the degree of scrutiny that is required.

Q143 Mr Prisk: Mr Bain was very clear about the importance of continuity to business. Can I ask the chambers of commerce in particular, but also other witnesses, about that issue? Clearly, the Bill is about the continuity of existing arrangements. How important is that principle of continuity to your members?

Anastassia Beliakova: It is absolutely critical. Our members are operating on the assumption that during a transition period there will be continuity in our trading arrangements not just with the EU but with all the other markets with which we have a trade agreement of some sort. The working assumption is that they should not be making any changes currently or planning for significant changes in trading conditions in March 2019. Of course we are still waiting for greater clarity from the EU on this over the coming months, but I cannot stress enough that in the immediate future the continuity in our trading relationship with the EU during transition is critical. Our continuity, looking further ahead, with the other markets, is also something that our members want to count on.

Q144 Mr Prisk: Mr Jones, what about financial services?

Stephen Jones: Continuity is very important, particularly through the transition period and on an ongoing basis. We believe that there is an opportunity for a free trade agreement in services between the UK and the EU that prolongs many of the existing arrangements, which are beneficial on a cross-border basis, particularly in markets for wholesale financial services and markets affecting professional counterparties and market-based counterparties, where cross-border provision, passporting and mutual recognition are important to the efficient working of trade not just in financial services but in goods—not just in the UK but in the EU as well.

The economic case for maintaining much of the existing arrangement is significant, but we are, as you know, working with a negotiation envelope as far as the EU is concerned that appears to require change—to require the UK to have less access than previously, in a visible sense. So we need to be seen, I guess, within the context of that envelope, to prioritise what is important for both sides in financial services. In our assessment it is more of the capital, derivative, centralised clearing and—outside my remit but clearly very important—insurance and reinsurance markets, which are professional-to-professional markets operating on a seamless and cross-border basis across Europe, the disruption of which would be quite significant. In those circumstances maintaining as much as we can of the existing establishment regulatory supervisory arrangements around those business activities will be important for the UK economy, but equally for the continental European economy as well.

Mr Prisk: Mr Bowles, is that your take as well?

Edward Bowles: There are two things I want to say. One is that the lead time involved for change for a regulated industry—and it is not just financial services but, my guess is, pharmaceuticals and manufacturing, among others—is so long that, to give you an idea, to create a subsidiary where you do not have one, even in a market where you may have a branch, is a minimum 18-month project plan timeframe from beginning to end, and in some cases longer depending on the breadth of products you are dealing with and the number of regulatory approvals involved. Therefore, a degree of clarity around the future timeframe and the continuity in that timeframe is critical. Otherwise you end up creating a high degree of uncertainty, not just for the regulated entities but for all their clients—thousands of clients who would be forced, with scrambling and redocumentation, to look to a different

legal entity and to price and measure risk in a different way from the way they are used to doing it with the current entity.

Continuity is key, but the working assumption, as Stephen said, is that there will be change. The question is when that change will come, and whether it will be in one step or more than one step. Will we have sufficient clarity that when we deliver the end state it will be the final end state? That is why the transitional period is critical to get us to the point where the framework gives us a high degree of visibility over what the end state might be.

Q145 Mr Prisk: On the financial services side, can we look at the issue of remedies? Clearly, in the current set of arrangements that is frankly irrelevant in a strict legal sense to you as a sector but, looking forward, the TRA is clearly not going to disappear in two years' time or after however long the transition period lasts. Therefore, looking at the longer term, what is the relevance to financial services and what are the critical issues that you will be looking for in an effective remedies regime at that stage? Perhaps you can just give us one or two highlights to give us a sense. We have heard about goods so far, which is very important, but obviously services matter as well.

Stephen Jones: I defer to Mr Bowles on this—given his experience with TTIP and equivalent regimes.

Edward Bowles: Obviously a high degree of dialogue is done regulator to regulator, so we are a supervised entity not merely in the home state where we may have our domicile and headquarters but in all markets where we have operation. In fact, your first point of call would be the nature of the relationship in terms of supervisory co-operation between those two entities, and what it is that you are permitted to do, and where any disputes may arise about what you are doing in those markets. In fact, the TRA is probably much less relevant to a highly regulated and supervised industry like financial services than to some others, in which there are fewer regulator-to-regulator forums that would determine the methods and modes of operation.

Stephen Jones: I would just add that the concept of dumping in financial services is, therefore, not strictly relevant.

Q146 Nick Smith (Blaenau Gwent) (Lab): Mr Bowles, I will ask just a bit more about Standard Chartered and the developing markets in the states and countries where you work. As previously mentioned, your Razia Khan predicts some difficulty in lining up quick deals in Kenya and other places in Africa. What is your view about other countries where your company has long-standing experience, like Vietnam and South Korea? How quickly can those countries respond to these sorts of deals?

Edward Bowles: Thank you for the question. Standard Chartered has been UK-headquartered for the last 155 years, but 85% of our revenues are from Asia, Africa and the middle east. In respect of most of those countries, there are no FTAs, either with the UK or, indeed, with almost any other markets. I was quite involved in my 10 years at Standard Chartered with the negotiations between the EU and Korea, the EU and Singapore and the EU and Vietnam and, most latterly, with those on TTIP, and on India in between times—that has been a slightly less successful product in negotiating terms. The fact is that we have FTAs with some of those markets and some of them are incredibly advanced. Korea and Singapore are incredibly advanced markets. You are dealing with very sophisticated regulators, politicians and others. They completely understand what the UK would be seeking to achieve in any renegotiation post the roll-over of the current FTAs.

There is certainly scope, I think, in some of those FTAs for tweaking, shall we say, and data offshoring would be one of the issues that I am sure the UK would want to look at. The negotiations take a long time. Korea was seven years. Singapore is not yet in force but we have just had a European Court of Justice ruling in relation to one aspect of it that will enable it to come into force soon, but it has been eight years overall. We can cut and paste them, but then the question is, "What are the incentives on each side—which will probably be asymmetric in terms of interests—for tweaking, and what will be the appetite and the timeframe over which you could do it?" My guess is that you would want to do it expeditiously, but the degree of consultation and engagement with other interested industries, politicians, civic sectors and so on, would inevitably build in a longer time.

For other markets that are rather less developed perhaps than Singapore and Korea, it would take longer, because if there is no existing FTA you are looking at a degree of transparency around their regulatory framework and around the concessions they inevitably will be asked to make, and the question is: "What is the quid pro quo for them?" India is a classic example. You have visas, and immigration is one of their core demands. It has always been one of the core issues that has bedevilled the EU-India FTA negotiations and that will be no less the case, I am sure, with the UK than it is with India.

Q147 Judith Cummins: Mr Bain, to accompany the release of your report "The Bilateral Trade Deals that Matter to Consumers", you note the importance of the Government replicating the trade agreements that the EU currently has with third countries to ensure that consumers do not see a rise in prices as a consequence of imposed tariffs and so on. Your report notes that 6% of retailer imports are covered by all EU bilateral agreements. Could you identify the particular countries that your members are concerned about?

William Bain: Indeed. There is a good quantity of imported fish, from Norway and Iceland, that UK consumers buy. In particular, there is South Africa in terms of products like wine and some citrus, Chile and Peru in terms of soft fruits, and Morocco in terms of fruit, vegetables and some clothing. And there is principally Turkey in terms of clothing. There are many members of the BRC that source clothing in Turkey, which can be given to consumers for sale in this country on good terms. One of the fundamental issues is that, at the moment, that is under a customs union: is there going to be a functioning customs union between the UK and Turkey on 30 March 2019? I think that speaks to some of the process issues that come up in part 1 of the Bill. We know that there will be an interaction between the CRAG process of bringing a concluded treaty before this House, then interacting with the processes that have to be gone through in part 1 of the Bill.

Unless we have things like letters of intent ready to be signed at 11.1 pm on 29 March 2019, and unless we have the EU involved—what seems on the face of it to be bilateral is, in many cases, a trilateral negotiation—we will have a gap. That gap will cause uncertainty for business. Ultimately, it could cause gaps on the shelves and a lack of choice and availability. It is a serious issue for investment and for consumers.

Q148 Barry Gardiner: To follow up, I want to ask you all a question as business people. If someone introduced a break clause in a contract with you or one of your businesses, would you not take the opportunity to renegotiate the deal? Given all that you have said about the importance of clarity, stability, understanding and certainty about the future, which we entirely agree with you on—that is why we need a Bill to do this—do you not think that, if we were seeing changes introduced by these countries because of this opportunity, and some of the changes were substantial, and changed that clarity and certainty, then actually there should be a process of parliamentary scrutiny looking at them?

At the moment, we may not be in control of that process. We know that we would like it to be very simple, but it may not be. Given that, should the scrutiny not be in place for Parliament either to assist procedure or, using some other mechanism, to say, "Yes, this is important, and we need to make sure that we, as Parliament, deal with it in the appropriate democratic way"?

Edward Bowles: I would say be careful what you wish for, and I do not say that completely comedically. It would very much depend upon the scale of the market that you are interacting with, and the significance of it. The experience that I had of TTIP was one where the lack of initial transparency, of engagement with civic sector societies, and of disclosure of the mandate for the first 15 months of the negotiations very much allowed the debate to be run by outside interests that felt disenfranchised. Effectively, that stymied the political will to take the negotiation further forward even before the new President was elected.

It was absolutely clear that there are lessons to be learned from a negotiation of that scale, ambition and impact for the UK's economy, to make sure that you have the right level of engagement, transparency, scrutiny and so on in an ongoing manner. For a much smaller market, I dare say that, given the time involved, it may not necessarily warrant a full-scale similar application of scrutiny because, frankly, the relative impact for the UK economy, and therefore for consumers, healthcare and so on, would be much less. Judge each of them on their merits.

Anastassia Beliakova: To follow up on what Mr Bowles said, the TTIP example certainly shows us how critical it is to have appropriate stakeholder engagement mechanisms. At the moment, the Bill is meant to deal just with continuity of existing agreements that have already had the relevant scrutiny from the European Parliament and have passed through the European Scrutiny Committee here. However, if there are very substantial changes or if we are talking about completely new agreements, provisions certainly need to be made for appropriate scrutiny in Parliament, and for stakeholder engagement for business, civil society and non-governmental organisations. It might make sense for that to have some form of statutory underpinning so that there is input that is not contingent on the political environment, which may change. As has been said, negotiations take a long time, sometimes even up to a decade, and during those negotiations you still need to be able to test both the public views and the impacts. I would urge for these kinds of mechanisms to be put in place where new agreements are implemented.

Q149 Faisal Rashid: I will put Barry's point in a different way. You mentioned continuity, which is absolutely fine—the industry needs continuity. You also mentioned that you do not want to see any change, but the Government have already noted that these agreements will be legally distinct and are likely to be different to the corresponding EU trade agreements. Do you believe that it is appropriate for any changes to be waved through using Henry VIII powers? That is one question. For British Chambers of Commerce members, how important is consultation on any elements that might change in these agreements?

Anastassia Beliakova: Consultation is absolutely critical. If there are changes through these agreements that would alter the benefits that businesses currently see, our members would want to be consulted. At the moment, there is a question as to how the UK will set out on having an independent trade policy. We are conducting a study with the London School of Economics on that topic, which I would be happy to share once it is published.

There is a balance of interests between continuation—ensuring that there is no gap between the current benefits and some new measures that will be implemented—and appropriate scrutiny. That has to be considered on a case-by-case basis when it comes to the existing agreements. For any new negotiations, however, there needs to be a more clearly set out process.

William Bain: There are two important points to make. First, if we look at the guidelines adopted by the European Council on 15 December and the drafts that are circulating in Brussels for the draft directive to be adopted next Monday, it is very doubtful that the EU will permit the UK to vary these agreements at all. It will basically be small changes that will require the UK to still be subject to its current obligations under these agreements. That is all that the EU will be prepared to accept.

Another important point is that if the mechanism for the transition is that the UK is under the common commercial policy and the EU common external tariff, the UK will be applying all the EU's external tariffs vis-à-vis third countries. That means that Canada and South Korea will get the advantage of relatively low-tariff trade into the UK market, but unless we get the EU on board to help us with the transitioning process, we will not get the advantages of access to the Canadian and South Korean markets. That is the absolute imperative of why this task has to be completed—so that we can have certainty and continuity for business.

The Chair: The imminence of another Division tempts me to think that we ought to finish, unless it is a very short question.

Q150 Faisal Rashid: A very short one, actually. You mention that obviously the European Union might not let us change anything—it will only roll over the existing deal—so why does this Bill need the Henry VIII powers?

Stephen Jones: It is a rhetorical question, I think.

The Chair: A rhetorical question that *Hansard* will have noted. I thank our four witnesses very much for your evidence. You were very good value for money considering you were not paid to be here. Thank you for taking time out—it was most useful for the Committee.

Ordered, That further consideration be now adjourned. *—(Craig Whittaker.)*

4.58 pm

Adjourned till Thursday 25 January at half-past Eleven o'clock.

Written evidence reported to the House

TB01 Peter D Blackburn
TB02 ABI
TB03 Dr Kamala Dawar
TB04 Fairtrade Foundation
TB05 Trade Justice Movement
TB06 Global Justice Now
TB07 RSPCA
TB08 Nick Ashton-Hart
TB09 Traidcraft
TB10 British Retail Consortium