

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Third Delegated Legislation Committee

DRAFT EUROPEAN UNION (DEFINITION OF
TREATIES) (ECONOMIC PARTNERSHIP
AGREEMENTS AND TRADE AGREEMENT)
(EASTERN AND SOUTHERN AFRICA STATES,
SOUTHERN AFRICAN DEVELOPMENT
COMMUNITY STATES, GHANA AND ECUADOR)
ORDER 2018

Wednesday 31 October 2018

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Sunday 4 November 2018

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The Committee consisted of the following Members:

Chair: MR CLIVE BETTS

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| † Aldous, Peter (<i>Waveney</i>) (Con) | † McFadden, Mr Pat (<i>Wolverhampton South East</i>) (Lab) |
| † Bardell, Hannah (<i>Livingston</i>) (SNP) | McMorrin, Anna (<i>Cardiff North</i>) (Lab) |
| † Bridgen, Andrew (<i>North West Leicestershire</i>) (Con) | † Menzies, Mark (<i>Fylde</i>) (Con) |
| † Burns, Conor (<i>Bournemouth West</i>) (Con) | † Nandy, Lisa (<i>Wigan</i>) (Lab) |
| † Chishti, Rehman (<i>Gillingham and Rainham</i>) (Con) | † Peacock, Stephanie (<i>Barnsley East</i>) (Lab) |
| † Churchill, Jo (<i>Bury St Edmunds</i>) (Con) | Sheerman, Mr Barry (<i>Huddersfield</i>) (Lab/Co-op) |
| Cryer, John (<i>Leyton and Wanstead</i>) (Lab) | † Wood, Mike (<i>Dudley South</i>) (Con) |
| † Esterson, Bill (<i>Sefton Central</i>) (Lab) | |
| † Hollingbery, George (<i>Minister for Trade Policy</i>) | Mems Ayinla, <i>Committee Clerk</i> |
| † Johnson, Dr Caroline (<i>Sleaford and North Hykeham</i>) (Con) | † attended the Committee |

Third Delegated Legislation Committee

Wednesday 31 October 2018

[MR CLIVE BETTS *in the Chair*]

Draft European Union (Definition of Treaties) (Economic Partnership Agreements and Trade Agreement) (Eastern and Southern African States, Southern African Development Community States, Ghana and Ecuador) Order 2018

2.30 pm

The Minister for Trade Policy (George Hollingbery): I beg to move,

That the Committee has considered the draft European Union (Definition of Treaties) (Economic Partnership Agreements and Trade Agreement) (Eastern and Southern Africa States, Southern African Development Community States, Ghana and Ecuador) Order 2018.

It is an enormous pleasure to be serving under your chairmanship today, Mr Betts. I have done so extensively in the past but not in recent times. I am delighted to be here today to debate the European Union economic partnership arrangements with Southern African Development Community states, the Eastern and Southern Africa states, and Ghana, as well as the accession of Ecuador to the EU-Andean free trade agreement.

The Government remain committed to supporting the EU's ambitious trade agenda, including its development aspects. Trade is an important tool in the fight against poverty. Over the last few decades, around 1 billion people have been lifted out of poverty and international trade has played a significant part in that. I welcome the opportunity to set out why the Government support these EU agreements, which will bring benefits to partner countries and the UK.

Mr Pat McFadden (Wolverhampton South East) (Lab): The Minister has opened by saying that the Government support the EU's international trade objectives. Is not the very purpose of leaving the EU to divorce ourselves from those international trade objectives?

George Hollingbery: The right hon. Gentleman will know perfectly well that there are many motivations for leaving the EU, although we do not need to discuss those today. The Government are very keen that the free trade agreements that exist between the EU and third-party countries should be continued with as little change as possible. That is good for us, good for business and good for consumers.

By championing global free trade, we support economic development, which helps drive growth and jobs in a way that aid spending alone cannot. While the UK remains an EU member state, the Government remain committed to working with Parliament to ensure that is facilitated through scrutiny of EU trade agreements. This debate ensures that Parliament has the fullest opportunity to scrutinise the agreements.

I will first address the economic partnership agreements. The UK is a long-standing supporter of the EU's EPA

programme. EPAs are trade agreements with a development focus, which is not found in conventional free trade agreements. This House has already scrutinised and passed several other EPAs. EPAs take into account the socioeconomic circumstances of partner countries and provide for development co-operation and assistance. EPAs secure immediate, duty-free access to the EU for developing country products. In return, those countries liberalise their markets gradually by reducing duties on around 75% to 80% of imports over a period of up to 25 years. Trade liberalisation is therefore strongly asymmetric in favour of developing countries.

EPAs are of course negotiated agreements. They promote increased trade and investment by putting our trading relationships with African partners and others on a more equitable, mature and businesslike footing, supporting sustainable growth and poverty reduction. The EPAs we are considering today can deliver real benefits for manufacturers and farmers in developing countries and in the communities in which they operate. Specifically, the EPAs eliminate tariffs on processed and manufactured goods, allowing more of the product value chain in developing countries, and providing more opportunities for growth and skilled jobs where they are most needed.

The EPAs offer a more flexible and simpler set of rules of origin, so that in most cases, when a producer in one African, Caribbean and Pacific country uses inputs from another, they do not have to pay customs duties when they export their final product to the EU. Both the Southern African and the Eastern and Southern Africa EPAs contribute towards regional economic integration by joining up smaller markets, benefiting African exporters by boosting trade between neighbouring countries and regions. The EPAs provide development co-operation to help our African partners to address broader issues affecting trade, such as technical barriers to trade, labour rights, the environment and poor infrastructure or inefficient customs and border controls.

EPAs also bring advantages to EU businesses and consumers. They can help to promote the export of new products from African countries by providing EU businesses with key inputs and consumers with more choice, better quality and lower prices, including for beef from Botswana, wine from South Africa, bananas and cocoa from Ghana, and fish from Mauritius. Over their lifetime, the agreements will bring new opportunities for UK exporters as EPA partners gradually liberalise their economies. We estimate that UK exports to the Southern African EPA states will increase by £35 million by 2035 and that imports will increase by £37 million.

Let me turn to South America. Ecuador's accession to the EU-Andean agreement is estimated to be worth £37 million annually to UK GDP in the long run. UK imports are due to grow, especially in important commodities such as fruit and vegetables, which could mean that consumers benefit from lower prices and businesses benefit from reduced input costs. UK exports will also increase; indeed, the impact assessment suggests that they have already increased since the agreement's provisional application to Ecuador in early 2017.

The EU-Andean agreement covering Peru and Colombia has delivered demonstrable benefits to businesses and consumers, as outlined in the EU's annual reports. I am confident that the benefits of the FTA can be enjoyed by importers and exporters of any size. British business will be free to tap into the Ecuadorian market with even

greater ease, benefiting from greater access across a range of service sectors and the Government procurement market, and from the removal of remaining tariffs in key industries, including chemicals, textiles and telecoms.

Although it is not the subject of this debate, it is important to say that as well as ratifying the agreements, the Government seek a seamless transition to replicate their effects and ensure continuity when we leave the EU. Under the terms of the draft withdrawal agreement, the UK is to be treated as a member state for the purposes of international agreements for the duration of the intended implementation period. That would provide certainty and confidence that, as we move into the implementation period, there will be no disruption to existing relationships underpinned by international agreements. However, the Government continue to plan for a range of possible scenarios to maintain existing trade relationships after our exit from the EU. We therefore continue to work towards bilateral agreements to ensure continuity in all circumstances.

We are making good progress on ensuring continuity for the SADC, ESA and Ghana EPAs. The process involves making only those technical changes that are necessary to ensure that our new agreements are operable after we leave the EU. That will include replicating the effects of provisions within the EPAs that refer to the EU-ACP Cotonou agreement, but it will not mean replicating the whole Cotonou agreement.

Our partners have broadly welcomed our approach and are keen to work towards a lasting set of agreements with the United Kingdom. For example, on 28 August in Cape Town, I signed a joint statement with Botswana's trade Minister, Ms Kenewendo, to confirm that trade agreements between the UK, the five Southern African Customs Union countries and Mozambique will be ready to come into force as soon as the EU EPA ceases to apply to the UK.

Likewise, the EU-Andean agreement, now including Ecuador, will apply to the UK during the implementation period. Of course, the Government continue to work towards new bilateral arrangements with the Andean community that would ensure continuity of the effects of the EU-Andean FTA in any event, via a straightforward technical process.

I further note the successful visit of my colleague Baroness Fairhead to Peru and Colombia over the summer, and the UK's presence—in the form of the Prime Minister's trade envoy, my hon. Friend the Member for Fylde—at the inauguration of the new Colombian President, President Duque. I hope my pronunciation is correct.

Mark Menzies (Fylde) (Con): It is perfect, Minister.

George Hollingbery: I thank my hon. Friend. We look forward to strengthening our ties to those nations through our independent trade policy.

Our consideration of the EU EPAs gives us the opportunity to demonstrate the UK's strong commitment to ensuring that developing countries can reduce poverty through trade. Agreement to the draft order will also ensure that the benefits of the EU-Andean free trade agreement continue to be enjoyed by importers, exporters and consumers in Ecuador and the UK. These agreements are in the interest of the UK, the wider EU and our partner countries in Africa and South America. I urge hon. Members to support the motion, in order to move those agreements one step further towards ratification.

2.40 pm

Bill Esterson (Sefton Central) (Lab): It is a pleasure to serve under your chairmanship, Mr Betts.

The four agreements that we are discussing will form the basis for future UK deals with the countries covered by the four agreements. The Trade Bill, which is still going through the Lords, prevents us from discussing the contents of the agreements after today's debate. Having further parliamentary scrutiny, including of any amendments, once those agreements are rolled over or renegotiated—whichever happens after we leave the European Union—will be entirely for the Secretary of State to decide, so we need to take advantage of today's proceedings and challenge the Government, because there will not be another opportunity.

Reports suggest that the three economic partnership agreements that we are discussing were agreed under significant pressure. It is therefore highly likely— notwithstanding what the Minister said when he quoted one of his counterparts saying that they are ready to roll the agreements over—that there may be a desire to renegotiate. South Africa's deputy Trade and Industry Minister when the agreements were signed, Dr Rob Davies, said that they were signed “under duress”, at the risk of having tariff-free access to the EU withdrawn. For those reasons, it seems highly likely that these partners will try to renegotiate, so today's debate is extremely important.

The statutory instrument relates to four multi-country trade agreements, as the Minister said, which we are party to as a result of being members of the EU. There is one free trade agreement and three EPAs, which relate to trade with developing countries. The objective of the agreements is to increase trade and investment opportunities. The explanatory memorandum lists the advantages of developing nation partners as

“providing duty and quota-free access for exports to the EU; more integrated regional markets; more flexible, simpler rules of origin; no undue competition and a context of wider reforms and helping to address broader trade issues such as technical barriers to trade and labour rights.”

Could the Minister let us know what is meant by technical barriers to trade and labour rights? I could not find any further detail on that point. The explanatory memorandum then moves on to the benefits to

“consumers and workers in Europe by the removal of trade barriers, the promotion of exports from developing countries resulting in wider choice, lower prices, better value and wider ethical choice options.”

The benefits to UK businesses are listed in the impact section of the explanatory memorandum. The estimated increase to UK GDP of £24 million as a result of Ecuador's accession to the EU-Andean EPA is given as an example of the opportunities presented by removing barriers to trade. The Ecuador protocol of accession includes a chapter on public procurement, and the explanatory memorandum suggests that there may be an impact on UK public services as a result. Can the Minister tell us what that impact is likely to be?

The impact assessment of Ecuador's accession refers to the relationship between trade openness and economic growth. It then quotes the fall in the poverty rate since China opened up its economy as a “striking example”. China may well be a striking example, but it is also strikingly different from Ghana, Ecuador and the Eastern and Southern Africa states, and the Southern African development community states. They do not have the

[Bill Esterson]

opportunity of modernising their industries by keeping their borders closed, as happened in China, nor do they have the economic power of China.

The impact assessments each make the point that trade is beneficial. Indeed, paragraph 1.3 of the Ecuador impact assessment states:

“Free and fair trade is fundamental to the prosperity of the EU, the UK and the world economy.”

The key point is that it needs to be fair, not just free.

The impact assessments also demonstrate the benefits of free trade agreements. As my right hon. Friend the Member for Wolverhampton South East said, we are of course a member of a free trade agreement, in a market with 500 million consumers—the European Union. It covers 60% of our trade, either directly with the other 27 countries of the EU, or indirectly through agreements that the EU has with other countries, including those we are discussing today. The EPAs under discussion have already been provisionally applied, of course.

The Ecuador impact assessment says:

“the evidence suggests that FTAs enhance trade flows”,

as our membership of the EU has proved. Significantly, the Ghana impact assessment admits:

“There is very little quantitative evidence on the impact of EPAs.”

We support the objectives of supporting trade with the developing nations, boosting their economies and prosperities, and doing so while boosting our own economy, but we must explore whether these agreements will deliver the proposed objectives. It is telling that the Government acknowledge in paragraph 10.1 of the explanatory notes that there had been criticism of the agreements, but that reference is all they have to say about the criticism. There is the slight exception in that three of the four impact assessments contain an index that refers to section 8—“Sensitivity analysis & risks”. Curiously, in each of the three impact assessments that list section 8 in the index, after section 7, “Impact Tests”, the next items are annex A and annex B—“estimated one-off costs” and “most-traded product lines”—followed by a blank page. There is no content for the “Sensitivity analysis & risks” sections in any of them. The fourth, by the way, does not have a section 8.

Will the Minister explain those omissions and tell us what was meant to be in those section 8s? Failing that—or perhaps in addition—will he tell us what the criticisms of the agreements, which are referred to in the explanatory notes, are? I am afraid I was unable to find any reference to them anywhere in what the Government have written.

To give the Minister time to find answers to those questions, I thought it would be sensible to go through some of the concerns that have been raised. Perhaps he might want to say something about that when he responds. Concerns have been raised about the impact on developing nations and about the regional impact of economic partnership agreements. A common criticism is that “most favoured nation” clauses restrict the ability of developing nations to reach trade agreements with their neighbours, as the same benefits, or better, in such agreements have to go to the EU. Instead of opening up trade for developing nations, the concern is that economic partnership agreements risk restricting trade.

I said earlier that the Government admitted in the impact assessments that there is a lack of quantitative evidence about the benefits. The longest-running economic partnership agreement is in the Caribbean. It started in 2008, but according to the European Commission’s impact assessment from 2014, there has been minimal domestic growth in the Caribbean since the EPA was implemented.

According to the International Monetary Fund, the uncompetitive nature of poultry farming in Ghana has left Ghanaian producers unable to deal with the lower cost of imported food following trade liberalisation. Those are the IMF’s words, not mine. The IMF’s Independent Evaluation Office report on international trade policy from 2009 says that the poultry sector in Ghana was much more vulnerable to competition from imports than IMF staff believed. The IMF forced the Ghanaian Government to reverse the Ghanaian parliamentary decision to raise tariffs to protect the poultry industry, with disastrous consequences for poultry farming in Ghana and for the communities that depended on that farming and its economic benefits.

The experience in a number of African countries has been of moving from self-sufficiency, or near self-sufficiency, in food to reliance on imports. Economies have moved from domestic production of food to foreign-owned production of cash crops such as cocoa, coffee, peanuts, sugar, cotton, rubber, palm oil and tobacco. They have moved away from the production of food and towards a reliance on imports of food.

Let us look at the experience of countries such as Tanzania, where the EU already has an agreement. Fish prices have gone up to such an extent that locals are unable to afford fish that has been caught in Lake Victoria; such fish are now almost exclusively caught for export. Some 49% of fish from Tanzania goes to the EU, and most of the rest is exported elsewhere. Locals have to rely on so-called fish skeletons—the remnants from fish that are caught in the Nile or in the lake and exported. The experience in east Africa is of produce being exported to the EU, driving up prices and undermining food security. In this case, the suggestion is that far from helping trade from developing nations, the east Africa economic partnership agreement has restricted it and made industrialisation and growth harder to achieve. The case of Tanzania and the east Africa EPA is a cautionary tale of what can happen if these agreements are not applied with care.

As we leave the EU, we will, as a result of our EU membership, be party to 70 or so trade agreements that we will need to renegotiate. The four agreements covered by this statutory instrument will need to be agreed again. The Trade Bill, which is slowly making its way through the Lords, makes provision for what the Government call the roll-over of these agreements, but the roll-over depends on whether the third-party countries to the agreements want to sign the same agreement or take the opportunity to revisit it. Given the concerns that I voiced at the start of my remarks, we should not be surprised if that happens with some or all of the agreement we are considering.

Hannah Bardell (Livingston) (SNP): The hon. Gentleman will know that significant concerns have been raised by the devolved nations, particularly Scotland, about the lack of transparency, consent and consultation on trade agreements. I have no doubt that the Government will have to face up to and think about that carefully.

Bill Esterson: I feel as though we are revisiting the debates we had in the Trade Bill Committee, but the hon. Lady is absolutely right. I think the Lords will revisit the points she just made. I reiterate that if the Trade Bill goes through unamended, today will be the only opportunity for Members of either House to consider any renegotiation that may or may not come about on these four agreements, or on any of the 70 agreements that will be affected.

Perhaps the Minister can tell us what the impact of a no deal Brexit will be. In the case of agreement with the EU on the terms of Brexit, there will be a transition period, which suggests that there will be an opportunity to renegotiate these agreements. As we said in the Bill Committee, however, it might take a little longer than the 21 months from 29 March 2019 to 31 December 2020 to renegotiate 70 international trade agreements. That may partly explain the Prime Minister's hint about the need for a longer transition period. It will not be a case of a cut-and-paste roll-over if any of our partners take the opportunity to renegotiate terms.

Regardless of what the Minister said in his opening remarks, there is every chance that that is exactly what will happen in these four agreements. What happens in the case of no deal? What will the status of these four agreements be from 29 March onwards? That is an important question for the Minister to answer. We have consistently heard just how much time and effort is going into the Government's planning for the disastrous no deal outcome.

As we consider taking on, in our own right, the economic partnership agreements included in this draft statutory instrument, and as we consider how we apply them as members of the EU, I hope that everyone in this room agrees that it is incredibly important that we take our support for countries in developing parts of the world seriously. Concerns about these economic partnership agreements are very real and need to be addressed.

The importance of listening to all voices is clear when we look at what representatives of affected countries say about the EPAs. Carlos Lopes is the High Representative of the African Union, which supports member states in trade negotiations with the EU, and a former executive secretary of the United Nations Economic Commission for Africa. He said:

"Africans have serious concerns about how the EPAs would affect their industrial development and the African Continental Free Trade Area...Uncertainty arising from Brexit has not helped matters."

That is first time we have referred to the African continental free trade area, which demonstrates my previous point, namely that the most favoured nation clauses in the order restrict the ability of other African nations to benefit. There are 55 nations in negotiations to conclude the African continental free trade area, and their ability to maximise the benefits of trading with other African countries will be seriously restricted by the need to give European countries the same benefits. Carlos Lopes went on:

"In most areas, the EPAs will actually hurt intra-African trade, weakening trade revenues and undermining trade-driven industrialization in Africa...If the EU is to seize the opportunities that Africa offers in a way that is mutually beneficial, it will need to work with the continent's leaders to build a new kind of partnership that treats African countries as equals."

I cannot imagine that anybody would disagree with the call to treat African countries as equals, so we need to be very mindful of exactly how these agreements might be applied.

Vera Songwe—the executive secretary of the United Nations Economic Commission for Africa, and formerly a country director and a senior economist at the World Bank—said that

"there should be a strategic pause on the EPA negotiation processes until the finalization"

of the African continental free trade area. We are not in a position to deliver that strategic pause because of the part of the process that we have reached, but we need to think seriously about why these requests are being made.

I ask the Minister to respond to the concerns raised by those who speak on behalf of the people of Africa, and to tell us how he and the Government intend to ensure that these economic partnership agreements are delivered in a way that benefits African people, and does not disadvantage them in the ways my examples have demonstrated. We should not be reaching economic agreements that disadvantage developing nations; we should be well past that point now, in 2018 in the United Kingdom. For the United Kingdom to benefit in the long term, we need trade to be fair, too. Unless our trading partners benefit, and unless their industries and workers thrive under such agreements, they will not be able to buy our goods and services, any more than they will be able to sell to us. For growth to happen, trade must be reciprocal and win-win, not the win-lose of President Trump.

We in the Opposition accept that these agreements should proceed, but we also see the need for their application to be more supportive of those in developing nations than the experience of Ghanaian poultry farmers or Tanzanian fishing communities would indicate has been the case thus far.

3 pm

George Hollingbery: I will try to take the points made by the hon. Member for Sefton Central in order; I will be brief on some and perhaps develop a couple a little further, but hon. Members present should be confident that I will not take forever.

First, the hon. Gentleman stated that he felt the Trade Bill prevents us from discussing these issues any further, but that is absolutely not the case. Clause 2 of the Trade Bill was considerably amended on Report in the Commons, which means there is now very full discussion of any changes that are to be enacted by statutory instrument. Indeed, a report will be produced on the effects and changes in any free trade deal that is transitioned.

During the debate on the affirmative instruments, there will be a supporting explanatory memorandum, which will point to exactly the changes identified in the report that have been made by that statutory instrument. Therefore, the House has every right, every ability and every chance to debate those changes, and no doubt will do so.

The hon. Gentleman said that it was entirely for the Secretary of State to decide whether something is ratified. For the same reasons, that is absolutely not true. The House will have any number of opportunities to debate all the small changes, or even larger changes—we hope

[George Hollingbery]

very much there will be no larger changes—in these transitioned agreements. He asserted that EPAs have been agreed under pressure.

Bill Esterson: The process that the House will be able to use is to delay, using the Constitutional Reform and Governance Act 2010. The House cannot amend the agreements, can it—unless the Minister is telling me that the Government will table further amendments to the Trade Bill in the Lords?

George Hollingbery: As the hon. Gentleman will know, the House can actually delay indefinitely through the CRAGA process, but if it decides not to pass essential modifications that enact the practical legislative effects of any agreement, it will make that agreement difficult to operate. The House will have full opportunity to discuss those SIs in Committee. It is certainly not the case that the Secretary of State gets to decide; nothing could be further from the truth.

We were talking about the EPAs being agreed under pressure, but that is just not true. If it were true, I suspect there would be very little appetite among nations with whom we have these agreements to replicate them, but I can be clear with the hon. Gentleman that there is an appetite to replicate them. As for Rob Davies, the Trade Minister in South Africa, I met him in August and he was keen that we replicate the agreement. We agreed, around a table with officials, that we should instruct our officials to ensure that that was done in a timely fashion and as soon as possible; so either he has changed his mind, or he did not believe that in the first place.

I am not quite sure I understood the hon. Gentleman's question about the technical barriers to trade, but I am very happy to provide him with some illumination about what they are. We can talk about customs and all sorts of different issues—those are the technical barriers to trade. Technical barriers to labour rights may, I suspect, be legislation within individual jurisdictions.

Bill Esterson: Paragraph 7.6 of the Minister's explanatory memorandum refers to addressing

“broader trade issues such as technical barriers to trade and labour rights.”

I was asking him to explain what he meant by

“technical barriers to trade and labour rights.”

George Hollingbery: In that case, I meant exactly what I just said. It is not technical barriers to trade and technical barriers to labour rights, but technical barriers to trade, such as poor customs systems and so on and so forth, which the Department for International Development has very considerable programmes to address. The TradeMark East Africa programme has been enormously successful, for example in reducing the time taken for items to clear customs by 32% over the life of the programme. By “address...labour rights”, we mean that it is also our intention to tackle the issue of labour rights. I hope that will satisfy the hon. Gentleman.

On the reference to public services, EU publicly funded services are excluded from liberalisation in all free trade agreements. That is an absolutely standard clause in all

EU free trade agreements, and we are clear that in the free trade agreements we sign, we will also be protecting our public services from private competition. The right to legislate in the public interest in public services will be enshrined in our FTAs.

The hon. Gentleman made the not unreasonable point that the EPAs are not of the same scale as China and so on. That is the whole point of the EPA programme. There is a 20-year period in which liberalisation happens. There are also all sorts of breaks and control mechanisms, and indeed mechanisms for discussing certain issues if they arise and are acute for any particular country at any particular time. I am convinced that the mechanisms that sit around these agreements allow for modification, for change and for emergency procedures to be brought in, to deal with real difficulties that individual countries might face.

Mr McFadden: May I ask the Minister to rewind 30 seconds? He said that the UK intended to replicate in any future FTAs the public service provisions that currently exist in European Union negotiated trade agreements. For my own benefit—I may have missed it—is this the first time that that has been said, or has it been said elsewhere by the Department for International Trade? If so, where?

George Hollingbery: All I can say is that it is absolutely the intention of the Department, when negotiating free trade agreements, to ensure that there is an understanding in those agreements that UK public services will be the province of the Government and the Government alone. There will be, as there have been in the various free trade agreements that have come through recently, an understanding in such agreements that there is a right for partner nations to regulate their own public sectors in the way that they see fit. I believe that I am repeating something that has been said in the House many times before.

As we know, there is a system in the European Union for conducting EPA reviews. This has not yet been finalised or finally thought through, but the UK intends to ensure that where we have EPA-type provisions under UK law, we will look at them regularly to see whether we can improve them. We have real ambitions for these agreements and believe we can do more with them. Statistics indicate that where free trade agreements—EPAs are a form of free trade agreement—have been negotiated, over time there is a consequential increase of up to 32% in trade between partners. That probably applies more to direct FTAs without the EPA envelope, so we are talking about a different category of partner, but nevertheless it demonstrates that free trade considerably increases trade between partners.

It is true that for a large number of partners within EPAs, the access they get to European markets is far superior to what they would achieve through unilateral systems of preferences. For many, there would be no access without the EPA, and certainly not on the terms on which they are currently engaged. The mere fact that they are signed up to EPAs suggests to me that they find them useful.

The hon. Member for Sefton Central made considerable reference to issues relating to undermining the economic prosperity of regions by doing individual deals with individual countries. The EU has always sought to do

EPA deals with regional blocs as they define themselves. Those interact considerably across the continent of Africa, in particular, with members being members of more than one bloc, and that can create difficulties. It is sometimes also difficult when individual regional political issues force disagreement between the partners in these unions and agreements. Therefore, the EU has taken the view that it is better to do deals with individual countries that wish to be involved than not to do so at all. That is why it pressed ahead, for example, with the Ghanaian agreement.

It is worth reflecting that the Eastern and Southern Africa programme was itself a reaction to the fact that the Lomé convention and the deals that were set up under preferences for a number of these countries were found not to be WTO compliant. The ESA programme was a reaction to make sure that the absolute minimum that needed to be done to be WTO compliant within development frameworks was done.

I will correct the hon. Member for Sefton Central on a couple of the more emotive examples he gave. He talked about Tanzania and fish skeletons. Tanzania is not a partner to an EPA agreement with the European Union. He also talked about chicken production in Ghana and the difficulties that the EPA had caused. It is also the case that chicken is specifically excluded from liberalisation in the Ghanaian EPA. I hope that that will give him some reassurance.

Finally, I turn to the issue of a no deal Brexit. The Department is working incredibly hard, as the hon. Gentleman said, to ensure continuity if and when that happens. I re-emphasise to the Committee that is something that many of us hope very fervently will not happen. We hope that we will have a free trade agreement or a future economic partnership with the European Union, and that there will be an implementation period. The Government have to recognise that there is a possibility that no deal will occur, and we must plan for all circumstances. We are negotiating at length with our bilateral partners with that in mind, and progress is very encouraging. We cannot be certain in every case exactly what we will achieve and when, but we have made detailed progress on the vast majority of the agreements and I believe that come a no deal Brexit—if it should come—we will be in a good position.

Question put and agreed to.

Resolved,

That the Committee has considered the European Union (Definition of Treaties) (Economic Partnership Agreements and Trade Agreement) (Eastern and Southern Africa States, Southern African Development Community States, Ghana and Ecuador) Order 2018.

3.11 pm

Committee rose.

