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GENERAL COMMITTEES

Public Bill Committee

TRADE (COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP) BILL [*LORDS*]

Second Sitting

Tuesday 20 February 2024

(Afternoon)

CONTENTS

CLAUSE 3 agreed to.
Schedule agreed to.
CLAUSES 4 TO 8 agreed to.
New clauses considered.
Bill to be reported, without amendment.

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 24 February 2024

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The Committee consisted of the following Members:

Chairs: PHILIP DAVIES, † DR RUPA HUQ

† Brereton, Jack (*Stoke-on-Trent South*) (Con)
 † Dhesi, Mr Tanmanjeet Singh (*Slough*) (Lab)
 † Dixon, Samantha (*City of Chester*) (Lab)
 † Hands, Greg (*Minister for Trade Policy*)
 † Henry, Darren (*Broxtowe*) (Con)
 † Hudson, Dr Neil (*Penrith and The Border*) (Con)
 † Hunt, Jane (*Loughborough*) (Con)
 † Jayawardena, Mr Ranil (*North East Hampshire*)
 (Con)
 † McMorrin, Anna (*Cardiff North*) (Lab)
 † Mangnall, Anthony (*Totnes*) (Con)

† Rodda, Matt (*Reading East*) (Lab)
 † Sambrook, Gary (*Birmingham, Northfield*) (Con)
 † Slaughter, Andy (*Hammersmith*) (Lab)
 † Stafford, Alexander (*Rother Valley*) (Con)
 † Thomas, Gareth (*Harrow West*) (Lab/Co-op)
 † Thomson, Richard (*Gordon*) (SNP)
 † Wood, Mike (*Lord Commissioner of His Majesty's
 Treasury*)

Simon Armitage, Kevin Candy, *Committee Clerks*

† **attended the Committee**

Public Bill Committee

Tuesday 20 February 2024

(Afternoon)

[DR RUPA HUQ *in the Chair*]

Trade (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) Bill [Lords]

2 pm

Gareth Thomas (Harrow West) (Lab/Co-op): On a point of order, Dr Huq. It is great to have you in the Chair this afternoon—it is always good to have a Member of Parliament from a neighbouring borough in the Chair.

I am raising a point of order because, in a slightly uncharacteristically shifty moment, the Minister appeared not to know anything about an investor-state dispute settlement case involving Eurotunnel that was successfully pursued against the UK Government. I used our lunch suspension productively to find the newspaper coverage of that case, which dates back to 2 February 2016. I appreciate that the Minister may not have seen the coverage at the time—he was then the Chief Secretary to the Treasury, overseeing cuts to support for getting small businesses to trade shows, among other cuts—but I have the extract with me. I wonder whether the Minister might like to see it; he could then give us an assurance that he will answer the concerns about ISDS. So far, he has been notably reluctant to do so.

The Minister for Trade Policy (Greg Hands): Further to that point of order, Dr Huq. I welcome you to the Chair. I do not wish to be outdone by the hon. Member for Harrow West: I, too, represent a borough neighbouring yours. I am happy to go head to head with the hon. Gentleman at any time.

In answer to the hon. Gentleman's point of order, I am happy for him to send me any evidence that he has. He said that the case was in 2016. He has been shadowing Trade and Business for most of the past eight years now, and it would appear to have taken him eight years to find the details of the case, which makes me think that it might not be the smoking gun that he thinks it is. However, I am happy for him to write to me with any details, and I will certainly have a look.

The Chair: I understand that the word “shifty” applies to the point, not to the Minister. That is correct, is it not?

Gareth Thomas: Absolutely.

The Chair: I am just checking, because otherwise the Clerks will be on me like a ton of hot bricks for allowing unparliamentary language about another Member.

Anyway, these are all points of information rather than points of order for the Chair. If the two Members are happy to swap information, let us leave it at that.

Clause 3

PROCUREMENT

Question (this day) again proposed, That the clause stand part of the Bill.

The Chair: I remind the Committee that with this it will be convenient to discuss the following:

The schedule.

New clause 1—*Assessment of the impact of the CPTPP Chapter on government procurement—environment—*

“The Secretary of State must, within three years of Royal Assent to this Act, lay before Parliament assessments of the impact of the implementation of the CPTPP Chapter on government procurement on—

- (a) the Government's plans to tackle climate change;
- (b) the sustainable production of forest risk commodities, including palm oil, within UK supply chains,
- (c) deforestation, and
- (d) the Government's environmental targets and environmental improvement plans established under the Environment Act 2021.”

New clause 2—*Assessment of the impact of the CPTPP Chapter on government procurement—employment and industry—*

“The Secretary of State must, within three years of Royal Assent to this Act, lay before Parliament assessments of the impact of the implementation of the CPTPP Chapter on government procurement on—

- (a) manufacturing in the United Kingdom;
- (b) the job market in the United Kingdom, including but not limited to gender inequality therein;
- (c) the level of procurement by local authorities from businesses in their local authority area;
- (d) the delivery of public services in the United Kingdom; and
- (e) the Government's commitments to the conventions of the International Labour Organisation.”

New clause 7—*Impact assessment of implementation of the CPTPP Chapter on Government Procurement on developing country trading partners—*

“(1) The Secretary of State must, within 12 months of the passing of this Act and every 12 months thereafter, publish a report on the impact of the implementation of the Government Procurement chapter of the CPTPP on developing country trading partners of the United Kingdom.

(2) The impact assessment under subsection (1) must include an assessment of—

- (a) social, environmental, and economic impact on countries with high levels of dependence on the UK market;
- (b) steps that have been taken to consult with affected trading partners;
- (c) proposed remediation measures for potential economic damage;
- (d) how the experience and impact of implementation might inform negotiation of future trade agreements.”

I call Tan Dhesi, who was speaking when we were rudely interrupted by lunch.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): Thank you, Dr Huq. I know it was a great disappointment to you not to be here for the opening of my speech, but at least you can be comforted by hearing its conclusion. I will carry on where I left off this morning.

The absence of specific commitments to uphold International Labour Organisation conventions in the comprehensive and progressive agreement for trans-Pacific partnership framework further exacerbates the risk to labour standards. Historically, the UK has been a proponent of international labour standards, advocating for decent work and fair wages across the globe. The CPTPP, as it stands, offers little assurance that those principles will be protected, let alone advanced, in the context of increased trade liberalisation.

In the light of those challenges, it is imperative for any engagement with the CPTPP to include robust safeguards to protect labour rights and ensure that trade does not come at the expense of workers' welfare. That includes advocating for the integration of binding labour standards in trade agreements and ensuring that all member countries commit to upholding basic rights such as freedom of association, the right to collective bargaining and the elimination of forced and child labour.

The commitment to labour standards within the context of the CPTPP must reflect a balance between facilitating trade and protecting the rights of workers. Without explicit provisions to safeguard labour rights, there is a real risk that the benefits of trade will be unevenly distributed, with workers bearing the brunt of increased competition and deregulation. Ensuring that the CPTPP promotes fair and ethical trade practices is not just a matter of economic policy, but a reflection of our values as a society committed to fairness, equity and respect for human rights.

With the right amendments and considerations, the CPTPP can offer a pathway to achieving those goals. However, it requires a concerted effort to ensure that it enhances rather than undermines the economic and social fabric of our nation. It is about creating a future in which trade contributes not only to economic prosperity but to a fairer, greener and more equitable world. The requirement for amendments stems from a recognition that the current formulation of the CPTPP may not sufficiently safeguard against potential negative impacts on local industries, workers' rights and environmental standards. Labour's amendments signal our dedication to a trade policy that respects our commitments under international agreements, including those aimed at combating climate change, protecting biodiversity and upholding labour rights.

Gareth Thomas: I rise to support new clauses 1, 2 and 7 and clause 3 stand part. In support of new clause 1, I will add some remarks to the excellent contributions from my hon. Friends the Members for City of Chester and for Cardiff North.

I seek further clarification from the Minister on the environmental impact of the CPTPP, to better understand how the Government intend to mitigate the detrimental environmental effects of the UK's accession to the bloc. I understand that about 90% of the world's oil palm trees are grown on a few islands in Malaysia and Indonesia, and just 1% of Malaysian palm oil smallholdings are certified by the Roundtable on Sustainable Palm Oil. That 1% constitutes approximately 40% of all palm oil plantations in Malaysia.

As I think all Members—even Government Members—recognise, deforestation is a major environmental crisis. It is now the second largest contributor to climate change globally, after burning fossil fuels. Nearly 90% of

deforestation is attributed to agricultural expansion. The impact has not only affected our climate, but resulted in a sharp decline in native wildlife, as my hon. Friend the Member for City of Chester set out.

Crucially, once ratified, the CPTPP will remove import tariffs on palm oil, irrespective of environmental credentials. As my hon. Friend noted, that risks contradicting commitments made by the Government under schedule 17 to the Environment Act 2021 to tackle illegal deforestation in UK supply chains. It is potentially irresponsible without the safeguards of due diligence secondary legislation, which is still due. In the other place, the Government said that they would bring forward that urgent secondary legislation some time in the spring of this year, but it remains somewhat vague. Any further clarification of the timeline from the Minister would be helpful.

Matt Rodda (Reading East) (Lab): I hope that my hon. Friend will also press the Minister on the wider context. My hon. Friend highlights the important point made by my hon. Friends the Members for City of Chester and for Cardiff North, which is that the Government seem to be neglecting their responsibilities. There appears to be a contradiction in Government policy between what we have heard today and other aspects of UK domestic legislation, such as the commitment to support the conference of the parties process. Will my hon. Friend press Ministers on that?

Gareth Thomas: I certainly want to press the Minister further on those issues.

To be fair to Lord Johnson, he committed to a monitoring report after two years. He said:

"I would be surprised...if the evaluation and monitoring reports did not cover information on...environmental standards, reduction of the risk of deforestation and many other areas."—[*Official Report, House of Lords*, 16 January 2024; Vol. 835, c. 363.]

Although I take his commitment at face value, it would be sensible to put on the face of the Bill a requirement for such a report within three years, not least because we have not seen the secondary legislation, which is urgently needed.

Perhaps the Minister can give us additional clarity about what the review to which Lord Johnson committed would include. Will it include the way in which CPTPP membership affects the sustainable production of forest risk commodities, such as palm oil, in the UK supply chain? Will it specifically investigate the impact of CPTPP membership on deforestation? Those are key questions from stakeholder groups such as the World Wide Fund for Nature and Chester zoo. It would be helpful to have additional clarity from the Minister about the review to which Lord Johnson committed and, crucially, about the secondary legislation that is due.

Has any further thought been given to the commodities that the secondary legislation will cover? The Government initially confirmed that they would look at six agricultural commodities, but now I understand that the secondary legislation will cover only non-dairy cattle, cocoa, palm oil and soy; coffee and rubber are missing. It would be helpful to know why.

I understand that the threshold for a company being required to comply is quite high: only businesses with a global annual turnover of £50 million will have to comply. It would be good to hear from the Minister why that particular figure has been set.

[Gareth Thomas]

In the context of new clause 1, I want to raise some concerns from Pesticide Action Network UK. The hon. Member for Totnes, who sadly is not in his place, was keen to mention the Trade and Agriculture Commission report, in which Professor Bartels and his colleagues outlined their concern that more goods using pesticides that are not currently allowed in the UK will be imported as a result of CPTPP. Indeed, PAN UK has made clear its belief that membership of CPTPP is likely to increase food imports from CPTPP member countries, all of which have weaker pesticide standards than the UK's. There are genuine concerns that there will not be sufficient controls on food imports to the UK, and consequently that weaker pesticide standards will develop here. I am sure that the Minister recognises that that will worry many people.

2.15 pm

New clause 7 is probing in nature. The Minister will be aware of concerns in Africa among our friends in Ghana, Cameroon and Ivory Coast about possible tariff reductions on bananas being exported to the UK from Mexico and Peru. As a result of our membership of CPTPP, Ministers conceded tariff reductions on bananas from those two countries into the UK market. Afruibana, the pan-African association of banana producers and exporters, raised a series of concerns about the impact of those tariff reductions, particularly the way in which they set a potential precedent for further tariff reductions if countries such as Ecuador and Costa Rica join CPTPP. That could have a big impact on the opportunities for African exporters to continue to sell bananas to the UK. Bearing in mind that Ghana is a close ally of the UK, and that some 80,000 people work in the banana supply chain in Ghana, that does not seem to me to be an unreasonable concern to air in Committee so that we can get some assurances or answers from the Minister.

At this stage, I do not intend to seek a Division on new clauses 2 and 7, but unless the Minister is particularly convincing I will be tempted to divide the Committee on new clause 1.

Greg Hands: I will try to be as convincing as possible. I thank the hon. Members for Slough and for City of Chester for tabling new clauses 1, 2 and 7, which would necessitate further assessments and reviews across various areas related to our accession to CPTPP. However, let me deal first, in a little more detail, with the point of order from the hon. Member for Harrow West, which related to the Eurotunnel case, because I think it needs to be clarified.

The UK was subject to a contractual dispute regarding the specific terms of a concession agreement—this was under the last Labour Government—under a specific treaty between France and the UK on the construction and operation of a channel link. This contractual dispute is different from more traditional ISDS claims, such as the ones that can potentially be brought under CPTPP, which are open to the more general category of investors under an investment treaty. The UK has investment agreements containing ISDS provisions with about 90 trading partners. I reiterate that it has never been subject to a successful claim under these agreements.

However, I note the hon. Gentleman's enthusiasm for talking about ISDS. He has been a Member for some 27 years, so I thought I would go back and see where his enthusiasm for speaking about this came from. He has spoken about ISDS six times in his 27 years, but the first mention of his concern about ISDS came on 18 June 2020. It took him some 23 years here to first voice his concern about this issue, so I am not entirely sure about his enthusiasm for raising it.

Gareth Thomas *rose*—

Greg Hands: I ask the hon. Gentleman to let me finish, because it does not end there. He was Trade Minister for two years, between 2007 and 2009. I thought that when he was Trade Minister he might have said something about ISDS, which he is so passionately against. He actually had the opportunity to do something about it then, but he did not mention ISDS in that time. Perhaps he can explain his silence for some 23 years on this issue about which he feels so passionately.

Gareth Thomas: I am grateful to the Minister for finally giving us some answers about the Eurotunnel tribunal case and about ISDS in that context. One of the other questions I asked him about ISDS and, particularly in the context of new clause 1, about its potential impact on the environment was why he supports ISDS in the context of CPTPP but not in the context of negotiations with Canada over a bilateral free trade agreement. He has yet to give an answer to that question. Perhaps he can do so now.

Greg Hands: I thank the hon. Gentleman for that intervention, but we have a debate on ISDS coming up under new clause 5, so I will be happy to talk further about it then. We are also having a debate on where CPTPP interacts with other trade agreements, but quite often, if a different trade agreement has ISDS provisions, it may or may not be desirable to include ISDS provisions in a further trade agreement. It would be worth looking at how ISDS works in each of the trade agreements.

The Government have demonstrated that we take parliamentary scrutiny of our FTA agenda seriously. A full impact assessment for the UK's accession to CPTPP was published at signature in July 2023, alongside the accession protocol text and a draft explanatory memorandum. That included assessments of the potential economic impact on UK GDP and, indeed, the environmental impacts. As has been mentioned by my hon. Friend the Member for Totnes, the independent Trade and Agriculture Commission was commissioned to scrutinise the accession protocol and to produce a report on whether the measures are consistent with the maintenance of UK statutory protections in relation to animal and plant health and life, animal welfare and the environment. The TAC concluded in its advice published on 7 December 2023 that

“CPTPP does not require the UK to change its levels of statutory protection in relation to (a) animal or plant life or health, (b) animal welfare, or (c) environmental protection”

and even that it

“strengthens the UK's ability to maintain its levels of statutory environmental protection.”

I think the hon. Member for Slough claimed that farmers were against it or are sceptical. I can give him a quote because, on this occasion at least, the president of the National Farmers Union, Minette Batters, was supportive of CPTPP, saying that the

“government continues to maintain its commitment to our food safety standards.”

She further stated that the UK achieved a

“balanced outcome, particularly with respect to managing market access in our most vulnerable sectors.”

Mr Dhesi: To clarify, I did not say that farmers are against CPTPP, just as the Labour party is not against the CPTPP agreement. However, there were significant concerns around seeds, plants and the wider agricultural industry. It is those concerns that we are bringing to the table. It is up to the Minister to address those concerns.

Greg Hands: I thank the hon. Gentleman for that intervention, but the NFU is not shy in coming forward to criticise free trade agreements from time to time—I think the NFU would agree with that. Here the NFU has given a clear endorsement of CPTPP, partly because it offers the opportunity for UK agriculture to sell their fantastic products abroad. That is part of the point of doing this: so that UK agriculture can access these fast-growing markets around the Asia-Pacific and the Pacific rim and sell high-quality British produce to those markets. That is why the support overall from the farming community is there for the UK joining CPTPP.

Looking to the future, the Government intend to produce a biennial monitoring report and publish a comprehensive ex post evaluation for the agreement within five years of the UK’s accession. I confirm to the hon. Member for City of Chester that the evaluation will include an assessment of the environmental impact. An inclusive and participatory process will be at the heart of the evaluation, providing structured opportunities for a wide range of stakeholders to share their views and provide evidence. However, those impacts cannot be disaggregated by individual chapters. That goes to the heart of many of the Opposition’s amendments. They want to have an impact assessment for different factors within CPTPP, but the Government already have a firm process in place to consider the agreement, its impact and its effects as a whole. That is the right thing for us to do. Additional impact assessments of the type being proposed would cost the taxpayer without showing the effects of the agreement as a whole.

On new clause 1 on deforestation and the environment, I can provide assurance that the UK will continue to uphold our very high environmental standards in all our trade agreements. CPTPP does not affect the UK’s ability to take social value or environmental considerations into account in procurements where they are relevant and do not discriminate. The procurement chapter of CPTPP includes a provision also found in the World Trade Organisation agreement on Government procurement, the GPA, and in our other free trade agreements that exempts measures necessary to protect human, animal or plant life or health, understood to include environmental measures as well.

Anna McMorrin (Cardiff North) (Lab): The Minister made the point that the NFU supports the agreement and that its president Minette Batters said that joining the CPTPP provides “some good opportunities”. However, she also said:

“It is an absolute red line for us that food produced using practices that are illegal here—for instance, the use of hormones in beef and pork production and chemical washes for carcasses—should not be allowed on our market”.

and that

“domestic policies are aimed at improving the competitiveness of British farming”—

that is what I said in my speech this morning—

“and strengthening our domestic food security.”

How can the Minister ensure that that happens without the proper impact assessments? I have no idea, nor, it seems, does the NFU.

Greg Hands: We have published the impact assessment—

Anna McMorrin: Regularly?

Greg Hands: The impact assessment was published last July. We have been absolutely clear, right the way through since 2016 with the inception of the Department for International Trade, that nothing in free trade agreements has an impact on our right to regulate domestically and our domestic food and animal welfare standards, which must also apply to imported products. We have been through this many times in different Trade Bills and different free trade agreements. Each time, I have to remind hon. Members that nothing in an FTA changes our domestic right to regulate.

Dr Neil Hudson (Penrith and The Border) (Con): The Minister has answered the point made by the hon. Member for Cardiff North on many occasions when I have raised this question. The Secretary of State did so the other day, on Second Reading. The UK Government reserve the right to maintain the ban on the importation of products that do not meet our standards such as hormone-treated beef, ractopamine-treated pork and chlorine-washed poultry. The Secretary of State was clear at the end of January that that ban remains in place and the Minister has confirmed that. The UK Government are standing firm and that should reassure the Opposition and the NFU that we will uphold our animal welfare standards.

Greg Hands: I thank my hon. Friend for that excellent intervention. His point goes back to the pause in the Canada negotiation. If one wants to understand the seriousness with which the UK Government treat those obligations and our domestic standards, that was one of the reasons for pausing the Canada negotiation. Many Opposition Members never agreed with being part of the agreement in the first place precisely because Canada was becoming a demandeur, particularly when it came to things such as hormone-treated beef. That was one of the reasons for pausing that negotiation.

Mr Dhesi *rose*—

Greg Hands: I will take an intervention on the intervention.

Mr Dhesi: The Minister is being generous with his time. We had a similar fanfare when the Australia trade deal was announced. However, the former Environment Secretary no less, the right hon. Member for Camborne and Redruth (George Eustice), said that Britain gave away too much for too little in return in the Australia deal negotiations. That is why we have such protestations and complaints from various farmers and farming unions. What protections have Ministers put in place to ensure that farmers and other agricultural producers are better protected in the CPTPP agreement?

2.30 pm

Greg Hands: If I may say so, I think that is a slight mischaracterisation of the former Environment Secretary's critique of the Australia and New Zealand free trade agreement. I was in the main Chamber when this was debated in, I think, the early part of 2023. I think his critique was directed more at the tariff reduction and the tariff schedule than any reference to standards on animal welfare and food production. My impression was that, in his view, the tariff reduction was too rapid on Australian produce coming in.

I will say to the hon. Member for Slough that CPTPP also includes an extensive environment chapter, which recognises parties' sovereign right to establish their own levels of domestic environment protection and priorities. This includes measures in the pursuit of reaching net zero and other environmental goals. The parties also affirm their commitment to implement multilateral environment agreements to which they are party. All the CPTPP members are signatories to the Paris agreement, as well as multilateral environment agreements covering wider environmental areas such as biodiversity, ozone-layer protection and pollution. The parties further recognise the importance of trade in environmental goods and services in the environment chapter. Parties are committed to endeavour to address any barriers to trade raised in this context. For example, under the CPTPP there will be no tariffs on UK exports of new electric vehicles and wind turbine towers, which support the UK and the CPTPP parties' transition to low-carbon economies.

Gareth Thomas: Will the Minister give way?

Greg Hands: I will, but then I will make some progress.

Gareth Thomas: I will endeavour to be brief and to the point. Given his reference to all the parties being signatories to the Paris agreement, I will gently bring the Minister back to the question of ISDS, on which I know he is always enthusiastic to answer questions. Can he be absolutely clear today with the Committee that no ISDS claim is likely to be successful where environmental considerations have been a factor in a Government taking a particular decision?

Greg Hands: The hon. Gentleman invites me to go down a hypothetical road where possible court cases may or may not be successful. I reiterate that the UK has never lost an ISDS case, and CPTPP does not prevent a domestic right to regulate, so I am confident in our position on that. I do not think speculating on future court cases would be appropriate for any of us in this Committee Room.

We remain committed to our environmental and sustainability goals, including forest protection. We will continue to work domestically and with partners internationally to pursue our ambitions for nature, climate and sustainable development, including in CPTPP and multilateral fora such as the WTO, climate and biodiversity COPs—I was proud to represent the UK at COP26 as an environment and climate Minister—and through the forest, agriculture and commodity trade dialogue. The hon. Member for City of Chester asked specifically about this, as did the hon. Member for Cardiff North. I can answer that in spring of this year, the Government will be laying our forest risk commodities legislation under

the Environment Act. It will make it illegal for larger businesses operating in the UK to use key forest risk commodities produced on land occupied or used illegally.

The Government have confirmed that palm oil products would be included under the regulated commodities. Do not just judge us on our words; judge us on our deeds. It is encouraging that 86% of UK imports of palm oil were certified as sustainable in 2022. That is up from 16% in 2010 under the last Labour Government, when the hon. Member for Harrow West was the Minister for International Development. He might have had more concern with these issues than perhaps he showed at the time; he is saying that he does now. Deforestation related to palm oil in Malaysia has fallen by 60% since 2012, in the latest available figures, which were in 2018. We would like to see more recent figures, but none the less we are seeing a really encouraging trend. The UK in particular has gone from 16% under the last Labour Government to 86% being certified as sustainable. We will keep working with countries such as Malaysia, which is a party to CPTPP, to build on that work.

The CPTPP environment chapter strengthens co-operation on addressing deforestation and forest degradation and allows parties to co-operate through the FTA's dedicated environment committee. We have also agreed a joint statement with Malaysia setting out our shared commitment to work together to promote the sustainable production of commodities and to protect forests. Moreover, the UK and Malaysia are signatories to the Glasgow leaders' declaration on forests and land use, and we are committed to halting and reversing deforestation by 2030. I refer once again to the report of the independent Trade and Agriculture Commission, which concluded that

“it is unlikely that CPTPP will lead to an increase in palm oil being grown on deforested land.”

I remind Opposition Members that they are continually having to tell us that they are in favour of joining CPTPP, yet at every single moment available they make speeches against the UK joining it. The hon. Member for Cardiff North said that it “makes a mockery” of the UK's environment commitments. If she thinks that it makes a mockery of our commitments, why on earth is she in favour of it? I welcome her being in favour and voting for or not voting against it on Second Reading, but if she thinks that something is making a mockery of this country, why on earth is she in favour of it? Perhaps she can explain that dichotomy.

Anna McMorris: I thank the Minister for giving me the opportunity to explain. I am saying that as it stands, it is making a mockery of environmental commitments that were agreed at COP26 in Glasgow. Without new clause 1, there is no environmental climate impact assessment. The sustainability of this puts into question all our trade agreements in CPTPP. That is why the impact assessments are so important and why the Government should support the new clauses and vote for them.

Greg Hands: I thank the hon. Lady for that intervention, but, as I have already made clear regarding new clauses and previous amendments, we already have a comprehensive impact assessment process in place. I confirmed earlier in my speech that the environment will be part of that. Additional subject impact assessments would be duplicative, unnecessary and expensive, and it might prevent the good operation of the UK's accession to CPTPP.

Anna McMorris: Actually, it might be the reverse: spending money on the impact assessments, which would be a relatively small amount, would save money in terms of our marketability, trade and business right across the UK and internationally.

Greg Hands: I accept the hon. Lady's intervention but, as I have pointed out, the impact assessment is already being made as part of the biennial monitoring and the comprehensive evaluation in that period. It is in the UK's overall impact assessment, which, as I have already outlined, will of course include the environment.

I will turn to the issue of pesticides, which was raised. The UK has not lowered its standards to accede to CPTPP. All food and drink products imported to the UK, irrespective of the purpose for which they will be used, must comply with our import requirements and regulatory standards for food safety. That point has been made continually in trade debates for the last eight years, and that includes the maximum residue levels of pesticides. As the Trade and Agriculture Commission report confirms, all food and drink products imported to the UK must still meet our existing import requirements. A range of Government Departments, agencies and bodies continue to ensure that standards are met, including the Food Standards Agency, the Animal and Plant Health Agency, the Veterinary Medicines Directorate and the Health and Safety Executive. There is a comprehensive Government programme of monitoring pesticide residues in food to determine whether food available to UK consumers complies with the statutory residue levels and is safe. The results of the monitoring are published following consideration by the Department for Environment, Food and Rural Affairs expert committee on pesticide residues in food.

On new clause 2, on employment and industry, the Government want UK businesses to be successful in competing for public contracts, both in the UK and in other countries around the world, and UK businesses can and do—of course—achieve success in winning domestic contracts. The reciprocal guaranteeing of market access through CPTPP means treating each other's suppliers in the same way that we treat domestic suppliers. The UK's international commitments have never affected our ability to deliver public services effectively, and encouraging greater competition in public sector procurement can and does drive down prices for the taxpayer and improve value for money for the UK public sector.

Matt Rodda: The Minister is very confident in his marshalling of evidence this afternoon. The Opposition remain deeply sceptical; would he like to give us—and the public—a reassurance, regarding the NHS and other key public services, that the new agreement will not lead to foreign providers undermining standards of care and replacing domestic or indeed NHS suppliers?

Greg Hands: Well, absolutely. We have given that commitment time and again, regarding not just this trade agreement, but previous trade agreements and our overall commitments to the NHS and to public sector procurement.

On the question of buying British, which I think the hon. Member for Harrow West raised, the UK Government's policy, as reflected in our current international obligations and domestic law, is that Government procurement should be non-discriminatory, as this provides the best value for money for the taxpayer. Public sector contracting authorities across the UK, including in devolved Administrations, will continue to comply with the UK's international commitments. Fair and open competition between suppliers, including those of our trade partners, delivers the best value for money for UK taxpayers.

I think that the hon. Member for Harrow West asked about the general review, which is different from the UK Government's review. CPTPP was, of course, conceived as a living agreement designed to evolve to maintain its high standards, and the CPTPP text states that there should be a general review of the agreement at least every five years. The first general review will begin in 2024, and the hon. Gentleman could even make a submission to that general review. It closes tomorrow, so perhaps he may be able to put forward his submission just in time to get it in. I am sure that my officials will be waiting with great trepidation about what he may have to say, including perhaps on some of his favourite recent topics, such as ISDS.

On new clause 7, Members have raised an important point regarding the impacts of trade agreements on developing countries. We know that free trade agreements have the potential to contribute to preference erosion. When negotiating trade agreements, the Government analyse the impacts of preference erosion as part of a balanced approach to the negotiations. The impact assessment for CPTPP estimated a minimal impact of the UK's accession on the GDP of a selection of neighbouring countries and least-developed countries.

The UK continues to monitor the third-party impacts of trade policy, and will continue to promote trade with developing countries through our new developing countries trading scheme—the DCTS—which was launched last summer, and economic partnership agreements, or EPAs. Our trade-related technical assistance, funded by our official development assistance—or ODA—helps developing countries to take advantage of trading opportunities.

The Government recognise the need to closely consider potential impacts on developing countries as we continue to evolve our trade policies and take forward FTA negotiations. We continue to balance the domestic interests of UK consumers and businesses with delivering on our FTA agenda, while maintaining a strong commitment to supporting developing countries and reducing poverty through trade.

To conclude, new clauses 1, 2 and 7 cover important topics such as labour, the environment and developing countries, but the impacts cannot be disaggregated by individual chapters. Additional impact assessments of the type being proposed would be duplicative of the overall assessment of the agreement, to which the Government are already committed. I therefore ask the hon. Members not to press new clauses 1, 2 and 7.

Question put and agreed to.

Clause 3 accordingly ordered to stand part of the Bill.

Schedule agreed to.

Clause 4DESIGNATIONS OF ORIGIN AND GEOGRAPHICAL
INDICATIONS

2.45 pm

Gareth Thomas: I beg to move amendment 3, in clause 4, page 3, line 24, at end insert—

- “1AA. The Secretary of State may only cancel the registration of a protected designation of origin or a protected geographical indication under paragraph 1A after—
- (a) an impact assessment has been published, and
 - (b) a three month consultation process has been undertaken.”.

The Chair: With this it will be convenient to discuss the following:

Amendment 4, in clause 4, page 4, line 36, at end insert—

- “(11A) The Secretary of State must, within three years of Royal Assent to this Act, publish an assessment of the impact of the CPTPP on the operation of Geographical Indications in the United Kingdom.”.

Clause stand part.

Gareth Thomas: The Opposition support clause 4 standing part of the Bill, but we wish to probe the Minister a little, hence amendments 3 and 4.

The intellectual property chapter in CPTPP includes provisions for the protection and enforcement of geographical indicators. We have had the privilege of an intervention from the hon. Member for Penrith and The Border. He might be particularly interested to know that two particular very interesting products from the north-west have secured GI status in the UK. The first is traditional Cumberland sausage; the second is Beacon Fell Lancashire cheese. I will come back to those a little later on.

The intellectual property chapter builds on present international intellectual property agreements in relation to rules on transparent and fair administrative systems for the protection of GIs, including rules for opposing GI status being granted to a particular product and the cancellation of GI status. I understand that the NFU thinks that the scope of the provisions for GIs in the CPTPP intellectual property chapter is fairly limited, and that a number of CPTPP countries are fundamentally opposed to food GIs. The only GI protections currently administered within CPTPP have been agreed on through bilateral side letters and ascribed to spirits and wines. It would be helpful to hear whether the Minister shares that somewhat bleak assessment.

Clause 4 seeks to amend specified pieces of retained EU law, as I understand it, so that an application to register a GI case can be opposed on the grounds that it is likely to cause confusion with a pre-existing trademark or the application for such a trademark. I understand the clause also expands the grounds on which the registration of an agrifood GI can be cancelled. Could the Minister give us an example of where such a decision might be made? What consultation would take place before such a decision were taken?

GIs are proven to boost export returns to primary producers—our farmers—and the UK has more than 80 products with some form of protected GI status. It would be interesting to hear from the Minister when a

UK Minister last spoke to the UK Protected Food Names Association, the trade body for products with GI status. Beyond Scotch whisky, I cannot find any obvious sign that promoting GIs is a significant part of the Minister’s departmental work plan. I would be delighted to be proved wrong.

What plans do Ministers have to use the CPTPP review to try to break down opposition in other CPTPP countries to British GIs? Clearly, promoting British products with a geographical indicator could help to secure greater export returns for the UK agrifood industry and, specifically, for our hard-pressed farmers.

Will accession to CPTPP help to secure GI status in countries such as Japan? I ask because the then Secretary of State for Trade, the right hon. Member for South West Norfolk (Elizabeth Truss), as a result of what she called a “historic” trade deal with Japan, promised that some 70 iconic British foods, from Cornish pasties, Welsh lamb, Melton Mowbray pork pies, to the traditional Cumberland sausage and the Beacon Fell Lancashire cheese, would secure GI status, unless there were exceptional circumstances, within five months in Japan. That was more than three and a half years ago. When I wrote to the current Secretary of State to remind her of that commitment back in late November, the Minister who replied said that he was unable to provide an exact timeframe for products such as Whitstable oysters, Scottish wild salmon, Carmarthen ham and Yorkshire forced rhubarb to secure protected status.

Can the Minister explain why there was such a great fanfare and promise of GI status in Japan within five months for those great, iconic British products from across the United Kingdom, and yet here we are, three and a half years on, and I can find no clarity as to whether any of the 70 UK GIs have now secured protected status in Japan? Our amendments are probing amendments, but the issues I raise are serious. I look forward to a considered reply from the Minister.

Greg Hands: Clause 4 relates to designations of origin and geographical indicators. As with other clauses in the Bill, it is necessary to ensure that the UK can comply with the CPTPP when it accedes. The clause amends the domestic legislative framework that regulates agrifood geographical indications.

Let me start by assuring all members of the Committee that the Government are committed to transparency. On amendment 3, the Secretary of State already has a duty under existing GI legislation to publish a list of names for which a cancellation application has been received and to publish applications in cases where, following scrutiny, the Secretary of State is satisfied that the conditions for cancelling the GI have been met. Applications are published on gov.uk and a three-month period is allowed for those with a legitimate interest to lodge a notice of opposition. Those arrangements will continue to apply to cancellation applications in the future, including cancellation applications made under the new cancellation grounds created by the changes the Government are making through the Bill.

I also point out to the Committee that the process of publishing a list of applications received and publishing applications to cancel a GI following successful scrutiny is the same as when an application to register a new GI is submitted. It seems to me that those equivalent

processes should be subject to equivalent levels of scrutiny. In other words, the registering of a GI should have the same scrutiny as a proposal to cancel a GI. Undertaking an impact assessment, as the Opposition propose yet again, and a new three-month consultation process on top, in addition to the existing opposition process for the cancellation of GIs, which already includes a three-month period for opposition from those with a legitimate interest, would duplicate and unbalance these processes.

In summary, amendment 3 is unnecessary and would cause unwarranted delays given that transparent and public procedures already exist under domestic GI legislation. Those with a legitimate interest are already given the opportunity to oppose the cancellation of a GI, and that will not be changed by the Bill.

Turning to amendment 4 on impact assessments, I would like to reassure hon. and right hon. Members that the Government take parliamentary scrutiny of their FTA agenda and domestic implementation seriously. With that in mind, a full impact assessment for the UK's accession to CPTPP was published at signature in July 2023 alongside the accession protocol text and a draft explanatory memorandum. As has already been said, the Government also intend to publish a biennial monitoring report and a comprehensive evaluation report for the whole agreement within five years of the UK's accession that will include, in addition to an assessment related to environmental impacts, under which GIs are covered, an assessment relating to intellectual property. An inclusive and participatory process will be at the heart of that evaluation, providing structured opportunities for a wide range of stakeholders to share their views and provide evidence. Therefore, additional impact assessments of the type being proposed would cost the taxpayer and entirely duplicate the existing impact assessments without showing the effects of the agreement as a whole.

The hon. Member for Harrow West asked about countries taking different approaches to GI protection. That is indeed correct. Not all parties around the world have the same approach to geographical indicators, trademarks, intellectual property and so on. Crucially, the CPTPP will not have an impact on the UK's domestic scheme of geographical indicators. The Government's objective in any trade negotiations will be to support the best possible outcome for the UK's geographical indicators and the UK economy as a whole. The aim in trade negotiations is to ensure the high standards of our domestic GI schemes continue to be upheld. CPTPP enables new dialogue on standards of GI protection with parties, which we will use to further the protection of our GIs abroad.

GIs are included in many of our new free trade agreements, and the hon. Member for Harrow West already mentioned the ones with Japan, Australia and New Zealand. When I go around the world, I am always keeping an eye out for products such as Cumberland sausages, Melton Mowbray pork pies, even Stornoway black pudding, English sparkling wine, Scotch whisky and Irish whiskey. It is great to see such fantastic British food and drink produce being available on plates right the way around the world, including in Totnes. I know my hon. Friend the Member for Totnes particularly enjoys something with a fine geographical indicator attached to it; indeed, he may have just returned from enjoying such produce.

Gareth Thomas *rose*—

Greg Hands: I will give way because I know the hon. Member for Harrow West had a tough lunch break researching a Eurotunnel case from under the last Labour Government. I doubt if he had any chance to eat anything with a geographical indicator attached to it, so of course I will give way to a final point from him.

Gareth Thomas: I am grateful to the Minister for allowing me to intervene. Can he give us an update on what happened to all the products that were promised GI status in Japan? Has there been any progress on securing those since his letter to me in November, whether for traditional Cumberland sausage, Beacon Fell Lancashire cheese, Gloucestershire cider or Gloucestershire perry, which might appeal to the hon. Member for Totnes? The last Trade Secretary but one promised they would have GI status in Japan and yet not much progress seems to have been made.

Greg Hands: There is a process domestically in Japan, which the hon. Member will be aware of from our debates on that free trade agreement. I would be happy to have a look again at the letter I wrote to him in November and see what progress has been made. This is a work in progress to make sure that our fine food and drink continues to arrive on dinner tables in Japan, where I know that it will be eagerly devoured by our allies and friends in the Pacific.

On the impact of CPTPP on the operation of geographical indicators in the United Kingdom, the Bill relates only to the Government's agrifood scheme in Britain, where the high standards of our domestic GI scheme will continue to be upheld. For all the reasons I have outlined, I ask the hon. Member for Harrow West to withdraw his amendment.

Gareth Thomas: As I indicated in my initial remarks, amendments 3 and 4 were tabled as probing amendments. I therefore beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 4 ordered to stand part of the Bill.

Clause 5

PERFORMERS' RIGHTS

Gareth Thomas: I beg to move amendment 5, in clause 5, page 5, line 23, after "country" insert "which is a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership".

The Chair: With this it will be convenient to discuss the following:

Clause stand part.

Amendment 6, in clause 7, page 7, line 17, leave out sub-subsection (c).

Amendment 7, in clause 7, page 7, line 28, at end insert—

"(5) Section 5 comes into force twelve months after the day on which this Bill is passed."

3 pm

Gareth Thomas: I am grateful for the opportunity to move amendments 5, 6 and 7, which go to the heart of the controversy that has developed around clause 5 and the issue of performers' rights.

[Gareth Thomas]

The Minister has attempted to bounce through the House of Lords and appears to be attempting to bounce through the House of Commons, using the Bill, changes to the way that those who make music are paid from broadcasting and the public playing of music. Pressure in the other place on Second Reading forced the Minister there to agree to publish a consultation document on the issue. That document was released on 15 January. The consultation is due to close on 11 March this year.

Who at this stage knows when Ministers will be able to tell the House what policy conclusions the Ministers have reached from that consultation? What is clear is that neither the House of Commons nor the House of Lords will have been given a clear steer on which way the Government want to go on how recording labels and artists are paid when their work is broadcast before the passage of this legislation is completed and Royal Assent granted. I gently suggest to the Minister and the hon. Member for Totnes that this is a further example of the scrutiny of this trade treaty being less than optimal.

Given that the issue could have significant consequences for one of the most significant parts of our economy, the creative industries, why did Ministers not at least publish a consultation document in good time and publish their conclusions before the start of the Bill's passage through the House of Lords?

Ministers have also claimed that the provisions are an integral part of CPTPP. I confess to being a little sceptical about that, despite the Minister's letter to me after the Second Reading debate in which he again made that claim. Many industry groups certainly do not believe that any of the text in CPTPP requires the Government to make the changes to increase the rights of foreign performers that the Bill provides for. I gently suggest that the truth is that the Intellectual Property Office has convinced Ministers that, putting CPTPP accession to one side, Britain is not currently compliant with the Rome convention for the protection of performers, producers of phonograms and broadcasting organisations and/or the World Intellectual Property Organisation's performances and phonograms treaty. Again, it would be good to hear the Minister's assessment of that.

The industry clearly believes that what Ministers want to do, via the clause and the very late associated consultation, would turn down the tap of investment that has supported recently the likes of new British music stars Olivia Dean, Dave, and The Last Dinner Party in launching their careers, in favour of foreign artists such as those who were up for the Grammys at the beginning of this month. Talented winners there were aplenty at the Grammys, but Ministers appear to want to disadvantage our homegrown talent and support their global competitors instead.

As I have alluded to, Ministers have implied that they have to make these changes to be compliant with CPTPP, but it is interesting that there is no reference to CPTPP in the impact assessment that I have here. I am looking at the policy objectives on page 1 that the impact assessment seeks to cover. It seeks to

“ensure UK copyright law is consistent with the requirements of the Rome Convention and WIPO (World Intellectual Property Organization) Performances and Phonograms Treaty”,

to

“reduce costs to UK users of foreign music”

and to

“increase revenues for the UK creative industries where this can be done without significant costs to UK users or consumers”.

There is no mention at all of compliance with CPTPP. Indeed, the talk in the impact assessment is of US labels and US artists and not CPTPP countries.

On the amendment specifically, which seeks to limit the rights under clause 5 to CPTPP countries, business groups do not believe that any of the text in the CPTPP requires the Government to make such changes to increase the rights of foreign performers that the Bill provides for. The Minister claimed exactly that in his letter, but he added a crucial phrase—“and the performance also meets further eligibility criteria set out in the treaties on performers' rights”—so it would appear that, in essence, no new rights are granted by the CPTPP. It is just that the Intellectual Property Office and Ministers now believe that the Rome convention, one of those crucial treaties on performance rights, has been implemented wrongly in the UK.

I understand, too, that the European Court has found on a case in Europe that may have some bearing on the attitude of Ministers and the Intellectual Property Office: the so-called RAAP—Recorded Artists, Actors, Performers—decision. Again, however, it would appear odd if the RAAP decision were motivating the change, given that we are no longer in the European Union and that UK courts are now free to deviate from EU law. It will be useful to hear from the Minister the real reason behind the clause.

Let me ask as well, why are we giving all international performers those rights? Malaysia, for example, a member of the CPTPP, has not even signed the Rome convention, which provides for those rights. It would be interesting to know which page or part of CPTPP means that these legal changes have to be made. I ask that because when we signed bilateral free trade agreements with Japan and Australia, both of which are signatories to CPTPP and have signed the Rome convention and the WPP treaty, changes such as those set out in clause 5 were not required. Will the Minister state, too, whether any of those changes were asked for by CPTPP countries?

On amendments 6 and 7, it would be helpful to understand whether the Minister accepts that it is unhelpful that the Government's decision following the consultation will occur only after the passage of the Bill. In his letter to me, the Minister appeared to deny that some of the options in the impact assessment could lead to a £100 million impact on British performers. Others predict a lower impact. One of the options appears to suggest that there would be no impact, but at this stage it is difficult for any member of the Committee to be certain exactly what the impact will be, because the consultation has not been completed and we have no idea how Ministers intend to move forward on the changes.

The Minister is asking all in Committee and indeed those outside the House to take it on considerable trust that the Government will consider their views properly and make the right decisions on behalf of the British music industry and all those new potential artists that might emerge in the shadow of the Stormzys and the Dua Lipas, and be central to the UK creative industry going forward. Amendments 5 and 6 are probing amendments. Amendment 7 might be a probing amendment, but I think

it could be reasonable to delay the implementation of this particular part of the Bill in order that we may understand fully the direction that Ministers want to take once the consultation has been completed.

Greg Hands: I turn to amendments 5 to 7 to the provisions on performers' rights. As we have heard, the amendments would do several things. I will deal them in turn, but I first reiterate the purpose and necessity of clause 5. The intellectual property chapter of CPTPP sets the minimum standards of protection that parties must provide in their law and specifies who they must extend the protections to. The requirements are not unique to CPTPP: they are based on the standards in multilateral treaties on copyright and performers' rights. UK law already exceeds the minimum standards of CPTPP and generally makes rights available to foreign nationals. However, the basis on which performers qualify for rights in UK law is not fully consistent with CPTPP or some of the treaties on which the IP chapter of CPTPP builds. The measures in the Bill, along with the secondary legislation that will be laid at the end of this month, will fix that. They will ensure that every creator who is entitled to rights in CPTPP will enjoy them in UK law. That is a necessary part of our accession to CPTPP.

Gareth Thomas: The Minister says that our rights are not compliant with the Rome treaty. However, that treaty has been in place for more than 40 years, and there has never been any suggestion until now that we as a country are not compliant with the rules set out in it. Why are we now suddenly not compliant?

Greg Hands: The reasons are that the Bill implements some of the provisions in CPTPP. For example, clause 5 implements articles 18.8 and 18.62 of CPTPP. The provisions require parties to provide the rights in CPTPP to performers if they are a national of another CPTPP party and the performance meets further eligibility criteria set out in the treaties on performers' rights or is first published or recorded in another CPTPP party, regardless of whether the performer is a national of a CPTPP party. This is all about being able to accede to CPTPP. Existing UK law does not provide for all the eligibility criteria in the treaties on performers' rights and does not take account of where a performance is published.

Gareth Thomas: Will the Minister give way?

Greg Hands: Let me finish. This is about ensuring that our regime is aligned and consistent with CPTPP—the international treaty to which we are acceding. The Bill amends UK law to implement the additional criteria. I think the hon. Gentleman is going to ask if the Government can confirm that they are making only the changes necessary for the UK to comply with CPTPP. The UK's accession to CPTPP requires that we expand the criteria by which foreign performers can qualify for rights in UK law, and that is what the Bill does. The changes in the Bill will also apply to performers from other countries that are a party to a relevant treaty on performers' rights for consistency with the UK's obligations under those treaties.

Gareth Thomas: I draw the Minister back to the impact assessment, which makes no mention of CPTPP. All the talk in the impact assessment that came out with the consultation document is of US performers and businesses. If the consultation is so much required by clause 5 and our accession to CPTPP, one would surely expect the impact assessment to make some reference to artists and their rights from CPTPP countries, but it does not: it references just US performers.

Greg Hands: I thank the hon. Gentleman for that intervention. He raises a good point, but if I am not mistaken he is referring to the IPO consultation, rather than the CPTPP consultation. The IPO consultation was already planned and is not directly or exclusively about our accession to CPTPP. The IPO consultation is fundamentally different from the CPTPP accession process, although they treat of a similar issue. He asked whether the amendments were asked for by CPTPP parties. The answer is no—they are necessary for the UK to join CPTPP. One of the most important things to understand in reference to CPTPP is that it is a pre-existing agreement; it is not negotiating new text. This needs to be done for the UK to join CPTPP.

Mr Dhesi: For the sake of clarity, can the Minister confirm 100% whether the changes to the UK's copyright provisions contained in the Bill were requested by any individual member of CPTPP or the secretariat during the negotiations?

3.15 pm

Greg Hands: The hon. Gentleman is misunderstanding how the process works. The comprehensive and progressive agreement for trans-Pacific partnership is an existing treaty, signed in 2018. The UK is acceding to the existing text. Nobody would be sitting down with us negotiating whether we might do something or not do something, because we are acceding to a pre-existing text. It would not necessarily have been appropriate for all 11 of the CPTPP parties to sit down at negotiations saying, "Are you agreeing to this? Are you not agreeing to this?" We are agreeing to accede to the deal as it stands. UK law already exceeds the minimum standards in CPTPP, and generally makes rights available to foreign nationals. This is a necessary part of our accession to CPTPP.

Amendment 5 would limit the application of some parts of clause 5 only to CPTPP parties. It would mean ceasing to provide protection to some other foreign performers. This would conflict with the requirements of those treaties on performers' rights I have already mentioned, and would put the UK in breach of its international obligations. The Government therefore cannot support amendment 5, as it would put the UK in breach of our international obligations.

Amendment 6 would delay the amendments that this Bill makes to existing powers in the Copyright, Designs and Patents Act 1988. Those existing powers allow the making of secondary legislation to extend or restrict the protections to particular countries—for example, to restrict the rights extended to a country that fails to provide equivalent protection to British performers. The amendments that the Government are making to this power are merely about ensuring that its scope is not inadvertently eroded by the other changes in clause 5

[Greg Hands]

—that the power can continue to be exercised to the same effect as under the status quo. It is not about introducing new powers.

Under clause 7, the amendments to that power take effect as soon as the Bill comes into force. That is the commencement clause of the CPTPP Bill and ensures that the power can be used in preparation for the other provisions of clause 5 coming into effect, avoiding the unnecessary disruption that might otherwise arise if we could only modify the impacts of the Bill after it had already taken effect. It effectively prevents there being, shall we say, a two-stage process in terms of how we ensure that we are compliant.

Mr Dhesi: Can the Minister confirm how the Government are considering the Intellectual Property Office consultation on the right to be paid from broadcasting and public playing of music, which is not due to close until March? Will that allow sufficient time for the Government to adapt the IP provisions in this Bill to ensure that there is a positive impact on Britain's creative industries?

Greg Hands: We are all looking for a positive impact on Britain's creative industries. It is one of our key asks, and one of the key things that we market abroad as a whole Government, ensuring that our creative industries get marketed well—especially in CPTPP countries. The fast-growing markets of the Asia-Pacific and the Pacific rim are exactly the sort of places we want to reach. I will come on to describe in a moment the interaction with the IPO consultation and where that might take the provisions we are talking about today.

I return to amendment 6, which would prevent the avoidance of unnecessary disruption and the multi-stage process that I was talking about. It would make disruptive, successive changes to the law on this area much more likely. It would introduce risks to the creative industries, which we all wish to support. I am sure the Opposition would not wish to do anything that created additional risks to the creative industries and to consumers, with no upside.

Amendment 7 would apply even more widely. It would delay the commencement of all the performers' rights provisions until

“twelve months after the day on which this Bill is passed.”

We cannot accede to CPTPP until our law meets its requirements. That requires that we make the changes in the Bill. Delaying those measures means delaying our accession and delaying its benefits to UK businesses, including in the creative industry sectors, and to consumers.

For the reasons that I have set out, the Government cannot support the amendments. However, I understand that they reflect concerns about the scope of clause 5 and the possible impact on creative industries. Although we must make these changes, there is a possibility of modifying the impact of the Bill in one important area: the right of performers to be paid royalties when their performances are broadcast or played in public. I understand that that issue has been of most concern to some in the creative sectors. For that right and the equivalent right for producers of sound recordings, we have some flexibility under CPTPP and other treaties to

modify our approach. Powers in the Copyright, Designs and Patents Act 1988 will allow us to do so through secondary legislation.

As has been mentioned, the Intellectual Property Office is consulting publicly on the question of how we provide those rights to foreign nationals. The consultation is ongoing until 11 March, and we aim to implement its outcome in parallel with the Bill coming into effect. The consultation process will ensure that there is sufficient opportunity for stakeholders to consider, prepare for and influence the outcome in that area.

There is no benefit to delaying the changes to the law, as the amendments seek to do; as I have set out, there are clear risks in doing so. I hope I have made it clear why we cannot support the amendments, which are unnecessary and in some cases damaging. I ask the hon. Member for Harrow West to withdraw his amendment.

Gareth Thomas: I am grateful for the Minister's reply. As I indicated, amendments 5 and 6 are probing amendments reflecting the concerns in the industry; I am grateful to hear that he recognises them.

On amendment 7, I struggle to be entirely convinced that a slight delay so that we could understand the results of the IPO consultation and the policy direction that will flow from it would frustrate the whole CPTPP accession process. I will not press amendment 7 to a vote for now, but we will certainly return to the matter on Report.

I beg to ask leave to withdraw amendment 5.

Amendment, by leave, withdrawn.

Clause 5 ordered to stand part of the Bill.

Clauses 6 to 8 ordered to stand part of the Bill.

New Clause 1

ASSESSMENT OF THE IMPACT OF THE CPTPP CHAPTER ON GOVERNMENT PROCUREMENT—ENVIRONMENT

“The Secretary of State must, within three years of Royal Assent to this Act, lay before Parliament assessments of the impact of the implementation of the CPTPP Chapter on government procurement on—

- (a) the Government's plans to tackle climate change;
- (b) the sustainable production of forest risk commodities, including palm oil, within UK supply chains,
- (c) deforestation, and
- (d) the Government's environmental targets and environmental improvement plans established under the Environment Act 2021.”—(*Gareth Thomas.*)

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 6, Noes 10.

Division No. 3]

AYES

Dhesi, Mr Tanmanjeet Singh	Slaughter, Andy
Dixon, Samantha	Thomas, Gareth
Rodda, Matt	Thomson, Richard

NOES

Brereton, Jack	Jayawardena, rh Mr Ranil
Hands, rh Greg	Mangnall, Anthony
Henry, Darren	Sambrook, Gary
Hudson, Dr Neil	Stafford, Alexander
Hunt, Jane	Wood, Mike

Question accordingly negatived.

New Clause 3

REVIEW OF NEGOTIATION AND IMPLEMENTATION OF GOVERNMENT PROCUREMENT CHAPTER

“Within one year of the day on which this Act is passed, the Secretary of State must publish—

- (a) a review of the lessons learned from the negotiation and implementation of the CPTPP Chapter on government procurement, and
- (b) an assessment of how this experience might inform negotiation and implementation of future free trade agreements.”—(*Gareth Thomas.*)

Brought up, and read the First time.

Gareth Thomas: I beg to move, That the clause be read a Second time.

The Chair: With this it will be convenient to discuss new clause 4—*Review of negotiation and implementation of Intellectual Property Chapter*—

“Within one year of the day on which this Act is passed, the Secretary of State must publish—

- (a) a review of the lessons learned from the negotiation and implementation of the CPTPP Chapter on intellectual property, and
- (b) an assessment of how this experience might inform negotiation and implementation of future free trade agreements.”

Gareth Thomas: New clauses 3 and 4 are both probing amendments. On new clause 3, I refer the Minister to the evidence that Albert Sanchez-Graells, professor of economic law at the University of Bristol, gave to the Trade (Australia and New Zealand) Bill Committee some 16 months ago. He raised concerns about the potential implications of the differences between the procurement rules under CPTPP and those to which Britain was already committed under the WTO agreement on Government procurement, the GPA. His evidence was also accepted by the International Trade Committee as a significant concern.

Professor Sanchez-Graells also argued that seeking to improve procurement opportunities for British businesses via the CPTPP to get a GPA-plus arrangement would mean legal uncertainty about the remedies available to British businesses if they ran into problems, because the CPTPP procurement chapter seeks to incorporate the current WTO GPA and then amend its provisions. In comparison, our trade deal with Europe incorporates the GPA in full and then builds upwards from it.

Professor Sanchez-Graells argued that there were “two main areas of problem: one is the national treatment rules on access to markets, which applies in particular to suppliers in different jurisdictions, and the other is access to remedies.”—(*Official Report, Trade (Australia and New Zealand) Public Bill Committee, 12 October 2022; c. 41, Q51.*)

It was access to remedies that particularly concerned him. At column 41 of his evidence to the Bill Committee, he noted that among the provisions of the procurement chapter in the Australia FTA—he confirmed at column 43 that this is replicated in the CPTPP procurement chapter—is a clause allowing the exclusion of legal remedies completely on the basis of public interest. He made it clear that, for a high-profile project, that could mean that the courts might set aside any claims for suspension of the procedure

or even for the compensation for damages, if it were believed to be in the national interest of the country in question.

3.30 pm

Under the trade agreement with the EU, that problem apparently does not exist, as the WTO’s Government procurement agreement is accepted in full as the floor for procurement obligations. Professor Sanchez-Graells argued that the provision might discourage small and medium-sized businesses in particular from investing considerable time and resources in trying to win procurement contracts in this case of CPTPP countries. It might make them a little more likely to focus on the European procurement market only, if anything.

I recognise that the Minister may not be 100% briefed on this very technical issue. As I set out, the concerns were articulated strongly during the passage of the Trade (Australia and New Zealand) Bill, but I did not get a clear answer explaining why the then Department for International Trade disagreed with Professor Sanchez-Graells’s views. I understand that he is still one of the leading experts on procurement law, so I gently suggest that his concerns merit a fuller reply than we received on that occasion. I wonder whether the Minister might be willing to explore the issue in due time and write to the Committee.

New clause 4 is also a probing amendment. A concern that my hon. Friend the Member for Slough touched on in passing is that the intellectual property chapter of the agreement stipulates that signatory countries must comply with a range of international agreements regarding IP. One of those is the international convention for the protection of new varieties of plants, UPOV 91. It may sound like an innocuous technical requirement, but several concerned organisations have put it to me that the provision could have real and negative consequences for small farmers, who are crucial to global food supply and environmental sustainability, and that it is a particular concern for lower and middle-income countries within the CPTPP.

To comply with UPOV 91, I understand that countries must introduce national IP legislation that eliminates the rights of farmers to save, use, sell or exchange certain seeds. That undermines the traditional practices of many farmers, who have relied for generations on a system of saving, reusing and exchanging seeds. Small farmers provide at least a third of the world’s food, and in some countries much more. The organisations that have made representations to me have pointed out that free and fair access to seeds provides a lifeline to millions of farmers, their families and the communities they feed. Indeed, in some countries of the world, farmers say that seed accounts for more than 90% of crops sown every year.

Concern has been expressed by many organisations, and most notably by Michael Fakhri, the UN special rapporteur—

3.34 pm

Sitting suspended for Divisions in the House.

4.10 pm

On resuming—

The Chair: Order. I will unpause Gareth Thomas!

Gareth Thomas: At first glance, UPOV 91 appears to require relatively tight and inflexible national intellectual property regimes, which in some cases can lead to heavy fines or even the imprisonment of farmers who violate them, often unknowingly. In countries such as Malaysia and Chile, UPOV 91 has been controversial, with often decades of resistance from civil society, farmers and environmental groups that feel that a much tighter patent regime on seeds will lead to the loss of indigenous knowledge and biodiversity. We should surely tread carefully when trade agreements place obligations on member states that could damage livelihoods and/or the environment and consider, if necessary, how to mitigate those impacts as much as possible.

Is the Minister willing to say now, or via a letter to the Committee, what assessment he has made of the UK's commitment to UPOV 91 and its impacts on our Paris agreement, our climate, the sustainable development goals and other UN treaty commitments? What assessment has been made of the impact of CPTPP on small farmers, who are so vital to the world's food and environment? Did he consider a side letter, following the example of New Zealand, which disapplies the UPOV 91 requirements between the UK and other member states? It would be interesting to hear his views on those questions. As I made clear, new clauses 3 and 4 are probing amendments, but none the less the issues raised are serious concerns that have been put to us. It would be good to hear the Minister's response.

Greg Hands: I thank the hon. Members for tabling the amendments, which regard reviews of the Government procurement and intellectual property chapters of the CPTPP. I confess that I will not spend long on this, as once again the amendments are all about impact assessments.

Once again, I assure the Committee that the Government intend to publish a biennial monitoring report and a comprehensive evaluation report of the agreement within five years of our accession. As I mentioned, the impacts cannot be disaggregated by individual chapters, and doing so through additional impact assessments would cost the taxpayer, be unnecessarily duplicative and not show the effects of the agreement as a whole. The CPTPP was of course conceived as a living agreement designed to evolve to maintain its high standards. Its text states that there should be a general review of the agreement periodically; the first general review is expected to begin shortly, in spring 2024. As I mentioned earlier, there is a UK consultation on this, and we will engage with each issue raised in the review in a way that seeks to promote and protect UK interests.

To be frank, the two specific points raised by the hon. Gentleman do not seem particularly close to the wording of the amendments. However, I have had a chance to look at his references to Professor Sanchez Graells. I understand that the hon. Gentleman has already received correspondence on the points that he raised—I think he mentioned that—as part of the passage of the Trade (Australia and New Zealand) Act 2023. That is a rarity: it was passed while I was not a Minister in the Department. That is a rare event, but I will look at it. The Government continue to disagree with Professor Graells, and I refer the hon. Gentleman to the correspondence he has already received on the matter. However, if he thinks that anything arises from that correspondence and wishes to write to me, I will have a look at it.

Similarly, I feel that the passage of the regime on seeds, UPOV 91, is fairly deeply in the scope of the Department for Environment, Food and Rural Affairs. I will undertake to write to the Committee about UPOV 91 and the patent regime on seeds. None the less, my point remains that the impact assessments we have already done—the biennial monitoring report and the comprehensive evaluation report of the agreement—are still the right approach to working out and assessing the impact of CPTPP. I therefore ask the hon. Member to withdraw his new clause.

4.15 pm

Gareth Thomas: I am grateful to the Minister for those replies. I will reflect on the points he has made, and may return to these on Report. I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 5

REVIEW: INVESTOR-STATE DISPUTE SETTLEMENT

“The Secretary of State must lay before Parliament a review of the financial risk of the implementation of the Investor-State Dispute Settlement aspect of the Investment Chapter of the CPTPP, not more than 18 months after the day on which this Act is passed.”

—(*Mr Tanmanjeet Singh Dhesi.*)

Brought up, and read the First time.

Mr Dhesi: I beg to move, That the clause be read a Second time. [*Interruption.*] I am most grateful to my hon. Friend the Member for Harrow West for his remarks from a sedentary position. Were he speaking to this new clause, I am sure he would do a much better job. As we delve deeper into the considerations of the CPTPP, our focus now shifts to the investor-state dispute settlement mechanisms. We must pay close attention to the safeguarding of national sovereignty, public welfare and environmental integrity. We in the Labour party have listened to the voices of numerous stakeholders, including the Trades Union Congress, the Trade Justice Movement and Greenpeace, which all express concern at the impact of the ISDS mechanism, particularly highlighting its disproportionate impact on democratic governance and policy autonomy.

As hon. Members will know, the ISDS mechanisms allow private investors to sue Governments for alleged discriminatory practices. I wish to flag concerns about ISDS's potential to challenge environmental regulations. A poignant example is the 2021 case of *Eco Oro Minerals Corp. v. Republic of Colombia*, which illustrates the tension between corporate interests and environmental conservation. Colombia's efforts to protect the páramos—a crucial ecosystem supplying 70% of the nation's water—were countered by Eco Oro with a substantial legal claim of \$696 million in damages due to a mining ban. This case highlights the potential for ISDS mechanisms to be wielded against Government actions aimed at preserving the environment, thereby urging the UK to tread cautiously as we navigate the intricacies of international trade agreements like the CPTPP.

We are particularly wary of how these mechanisms might impede our nation's progress towards meeting climate targets. Furthermore, the potential jeopardy ISDS poses to public services cannot be overstated. The TUC has raised concerns that the prospect of foreign

investors suing over the nationalisation of services, or the introduction of new public health regulations threatens our capacity to govern in the public interest, potentially having dire consequences for essential services such as the NHS and education.

For example, the case of *Veolia v. Egypt*, which concluded in 2018 after six years of litigation, where Veolia sued over wage increase policies, underscores the risk of ISDS mechanisms being used to challenge policies aimed at improving public welfare, with legal proceedings that can last years and entail substantial financial costs for Governments. Although Veolia eventually lost that case, it is still the case that Governments lose even if they win, because the Egyptian Government had to spend six years defending the case and pay millions of dollars in arbitration and legal costs. Although the costs of that case have not been made public, studies from the OECD show that average costs are \$8 million to \$10 million, and they can be as high as \$30 million. That case serves as a reminder of the potential for ISDS to prioritise profits over the wellbeing of citizens, making it imperative to reform those mechanisms to enhance transparency and fairness in the dispute resolution process.

Historical precedents starkly illustrate the contentious nature of ISDS mechanisms. The shadow Minister for international trade, my hon. Friend the Member for Wigan (Lisa Nandy), proposed amendments, inspired by real world cases like Philip Morris's challenge against Australia, that highlight the pressing need for stringent scrutiny and limitations on ISDS provisions to prevent corporate interests from unduly influencing national policy. Those instances demonstrate a pattern where ISDS is utilised to contest national policies and regulations, emphasising the need for enhanced parliamentary oversight and public consultation, as proposed in our amendments. Such cases vividly underscore the threat that ISDS poses to environmental policies and actions crucial for combating climate change and protecting biodiversity. Those examples highlight the pressing need for that scrutiny, which is why that enhanced parliamentary oversight is important.

I also want to delve into data from the United Nations Conference on Trade and Development, which indicates that disputes involving environmental regulations are on the rise, emphasising the vulnerability of environmental policies under ISDS. It is imperative to note that, between 1993 and 2020, UNCTAD reported a staggering 1,104 known ISDS cases globally, with a significant number of challenging environmental regulations. That necessitates implementing safeguards in the CPTPP Bill to prevent challenges to measures protecting biodiversity or reducing carbon emissions. That trend once again underscores the urgency of implementing safeguards within the CPTPP Bill to protect against ISDS overreach, ensuring that measures taken to protect biodiversity or reduce carbon emissions are not contested, thus preserving our commitments under international agreements, like the Paris climate agreement.

I also want to discuss public services at risk. A study by the European Federation of Public Service Unions highlights that ISDS mechanisms have been used to challenge public interest measures, such as environmental regulations, health and safety standards, showing a clear conflict with public service provision. The ability for foreign investors to sue over the nationalisation of services or the introduction of new regulations to protect

public health poses a threat to our ability to govern in the public interest. That could have dire consequences for the NHS, education and other critical public services, restricting our ability to implement policies without the spectre of costly legal challenges.

None the less, it is also crucial to acknowledge the perspective that ISDS provisions, when applied judiciously, can offer a level of legal protection to investors against genuine cases of expropriation or unfair treatment by host states, thereby contributing to a stable investment environment. The challenge lies in ensuring that those mechanisms do not infringe upon the legitimate policy space of Governments to enact regulations in the public interest.

Considering the critical examination of the ISDS provisions within the CPTPP, it is essential to underscore that ISDS mechanisms can significantly impact the regulatory sovereignty of nations, allowing private corporations to challenge public policies and regulations designed to protect public health, the environment and welfare. I am sure the Minister is aware that we have had several debates over the last few years, and especially over the seven years that I have been in Parliament, around sovereignty and the need to protect national sovereignty, so I hope he will address these concerns.

Our proposed amendments, such as that to clause 2 for enhanced parliamentary oversight, and the requirement for public consultation on ISDS provisions, are informed by the analysis of cases like *Veolia v. Egypt* and *Philip Morris v. Australia*, which demonstrate the tangible risks ISDS poses to public welfare and environmental protection. Our amendment to clause 2 for enhanced parliamentary oversight proposes mandating parliamentary approval for regulations relating to ISDS mechanisms by resolution of each House of Parliament, reflecting our commitment to democratic oversight. This step ensures that the ISDS mechanism within the CPTPP undergoes thorough scrutiny, reflecting our dedication to maintaining the integrity of our legislative process.

With regard to public consultation requirements on ISDS provisions, in alignment with our principles of transparency and public engagement we propose adding a requirement for comprehensive public consultations specifically on the ISDS provisions within the CPTPP. This amendment ensures that the diverse viewpoints and concerns of our society, including those from trade unions, environmental groups and sectors potentially affected by our ISDS claims, are duly recognised and addressed.

In relation to safeguard amendments against ISDS overreach, inspired by the consolidated list of amendments by my hon. Friend the Member for Harrow West, the shadow Minister for Business and Trade—he has done a great deal of hard work on this—we advocate for safeguards within the CPTPP Bill to protect against the overreach of ISDS mechanisms. That includes stipulations that prevent ISDS claims from undermining the UK's legislative autonomy in areas such as public health, environmental protection and labour rights, thereby preserving the UK's regulatory autonomy and ensuring that ISDS mechanisms cannot be used to challenge legislative and regulatory actions taken in the public interest in our Parliament.

By proposing these focused amendments to the CPTPP Bill, we aim to address the legitimate concerns surrounding ISDS mechanisms and their potential implications for

[Mr Dhesi]

our country. These proposals are founded on our unwavering commitment to upholding the principles of fairness, environmental stewardship and social justice in our trade policy. This ensures that our trade agreements not only pursue economic objectives, but safeguard the broader interests of our society and the protection of our democratic processes.

Matt Rodda: I commend my hon. Friend's speech. He is making an excellent point. This issue has been raised with me a number of times in my time as an MP, by both charities and other civil society groups. There is a great deal of concern about ISDS in the community, particularly, in my experience, from charities involved in development. My hon. Friend is making an excellent point in trying to address some of those legitimate concerns about the nature of trade policy.

Mr Dhesi: The contributions of my hon. Friend the Member for Reading East and other hon. Members in the Chamber on Second Reading underlined serious, legitimate concerns around ISDS and how it has been utilised around the world. I fear that the Government have not fully addressed those concerns. That is why I have gone to great lengths to delineate the problem. I hope that the Minister will address those points in his concluding remarks.

In conclusion, while recognising the potential economic benefits of the CPTPP, the Labour party remains steadfast in its commitment to protecting the UK's sovereignty, public welfare and environmental integrity. Our call for a balanced approach to the ISDS mechanism is underpinned by substantial evidence of its potential misuse in challenging public interest measures, necessitating reforms to ensure that trade agreements such as the CPTPP do not undermine democratic governance or the ability of Government to regulate in the public interest. As we proceed in Committee, let us ensure that our trade policies reflect our collective aspirations for a fairer, more sustainable future.

4.30 pm

Greg Hands: On new clause 5 on ISDS, I can provide assurance to the Committee that the UK already has investment agreements retaining ISDS provisions with about 90 trading partners, including seven of the 11 CPTPP parties. The UK provides a welcoming investment environment, with a non-discriminatory regime, strong rule of law and good governance. I remind members of the Committee that we have never been a recipient of a successful ISDS case—we have already disposed of the Eurotunnel red herring—from any investors from CPTPP parties or investors from any other country with which the UK has ISDS commitments through its investment agreements.

We are also clear that where we do negotiate investment protection and ISDS provisions in FTAs, we will not hinder our inherent right to regulate in the public interest, including in areas such as the environment, climate and labour standards. The right to regulate is recognised in international law, and CPTPP expressly reaffirms states' rights to regulate proportionately, fairly and in the public interest.

May I take issue with the hon. Member for Slough and his very unbalanced views on ISDS, which reflect an old-fashioned view in the Labour party, perhaps from a few years ago, that business is always bad? Whatever the right hon. and learned Member for Holborn and St Pancras (Keir Starmer) or the right hon. Member for Leeds West (Rachel Reeves) might say now, I think that today we are still seeing that attitude that business is always bad.

Mr Dhesi *rose*—

Greg Hands: Let me finish my argument. ISDS can be of great benefit to British companies abroad, and it protects jobs and livelihoods at home at the same time. It can make the UK a more attractive market to invest in—we are the Europe's No. 1 destination for foreign direct investment—and it is important that the atmosphere for foreign investors remains strong. It generates jobs and prosperity here in the UK. And yet I hear increasingly in Committee rather the opposite. Contrary to the Labour party centrally saying that it is a pro-business party, I am hearing a very anti-business attitude and that business is always wrong.

Mr Dhesi: Will the Minister give way?

Greg Hands: I am not going to give way. We have a balanced approach. ISDS does not prevent a right to regulate. It cannot force a change in domestic regulation, but it does prevent arbitrary discrimination against foreign companies, which in the case of CPTPP means—

Mr Dhesi: On a point of order, Dr Huq. I seek your advice about when a Minister of the Crown mischaracterises what has been said by someone, especially with regards to business. As someone who started and ran my own small business, I do not need lectures from Conservative Ministers about how to operate in business. The mischaracterisation also relates not only to whether our party is pro-business, but to the fact that I gave very balanced pros and cons of ISDS. May I seek your advice as to how that can be remedied in the record?

The Chair: The hon. Member has made his point. To be fair, it is not compulsory for anyone to take any interventions, but as the Member who moved the new clause, you will give a response in a moment, when the Minister has concluded.

Greg Hands: I thank you, Dr Huq, and the hon. Member for Slough for his point of order. None the less, we have to be clear that ISDS can prevent arbitrary discrimination against foreign companies. In the case of CPTPP, that can mean the same for British companies operating in those 11 existing parties. I just say to the Opposition Front Benchers that if they want Labour to pose as a pro-business party, they should take great care while parroting the arguments of groups like—

Gareth Thomas: On a point of order, Dr Huq. Again I seek your advice. Have you had any indication as to whether the Minister will answer the question why Britain is not seeking to have ISDS provisions in the Canada FTA but is seeking to have them in the CPTPP?

The Chair: I am being informed by my learned Clerks that that is a point of information, not a point of order for the Chair to adjudicate. The Minister was concluding, I believe.

Greg Hands: Thank you, Dr Huq. I will answer the hon Gentleman's point about Canada in due course, but let me finish my point about Labour posing as the party of business when its Front Benchers are parroting the arguments of far-left bodies such as the Rosa-Luxemburg Stiftung and the Trade Justice Movement, which have railed against ISDS for years.

When it comes to why we did not agree an aside with Canada to disapply ISDS in CPTPP, upon the UK's accession to CPTPP, British investments in Canada, which totalled £40.6 billion in 2021—investments worth protecting by the pro-business party that we are—will now be covered by these protections for the first time. In the light of our CPTPP accession, our bilateral negotiations with Canada will focus on stakeholder priorities, including in market access. That is very important for us.

I understand that there are concerns over the use of ISDS, but I want to be clear to the Committee that when we negotiate investment protection, and ISDS provisions within FTAs, we will not hinder our right to regulate in the public interest, including in areas such as the environment and labour standards. That right to regulate is recognised in international law. The CPTPP protects member states' rights to regulate proportionately, fairly and in the public interest. That is done in a number of ways, including expressly reaffirming member states' rights to regulate, as outlined in article 9.16.

Additionally, the UK has investment agreements containing ISDS provisions with seven of the 11 CPTPP countries and 90 countries worldwide. This is not a new issue. The UK has never received a successful claim from any investors of CPTPP countries or of any other country that it has ISDS commitments with. None the less, it protects British businesses abroad and makes Britain a more attractive environment for foreign companies to invest in.

That is why the UK will take a pragmatic approach to ISDS provisions, not the condemnatory, anti-business approach that we hear from the Labour party. I assure members of the Committee that the Government intend to publish an impact assessment in any case, and a comprehensive evaluation report of the agreement within five years of our accession. I therefore ask the hon. Members to withdraw their new clause.

The Chair: To respond to all that, Tam Dhesi.

Mr Dhesi: Thank you, Dr Huq. I would have thought that new clause 5 was sensible, and something that the Government should accept. All we are asking is that, no more than 18 months after the date on which the Act is passed, we have a review of the financial risk. However, if the Government are not willing to cede on that, we will seek to divide on the new clause.

For the record, I want to state that Labour is not only the party of business, but the party of working people. The Minister gesticulates from a sedentary position, but I think it is incredible that the Labour party's business conference was sold out within four hours, which is more than I can say for the lacklustre performance from the governing party in terms of its abilities to woo the

business community. We cannot dismiss at hand, as the Minister has done, the legitimate concerns of working people, as illustrated by the TUC and other organisations. It is important that those concerns are addressed.

I also note that the Minister did not answer the intervention from my hon. Friend the Member for Harrow West about why the Government are not seeking to have ISDS provisions within the Canada agreement. Perhaps the Minister would like to rise now. He said that he would address that point in due course. That due course has not unfortunately arrived, but it is for those reasons that we believe new clause 5 is important.

Greg Hands: I think the hon. Gentleman was perhaps distracted, but I did actually go into some detail about Canada and listed the fact that £40.6 billion-worth of British investments in Canada should now be covered by these protections for the first time. I did actually give quite a comprehensive answer when it came to Canada, the UK and ISDS.

Mr Dhesi: That still does not deflect from the point that, with respect to ISDS, it is one rule for one nation and another for the rest. That is why it is important that those ISDS provisions are looked at, because they are of serious concern when we are embarking upon this agreement. New clause 5 is very important and I therefore wish to push it to a vote.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 7, Noes 10.

Division No. 4]

AYES

Dhesi, Mr Tanmanjeet Singh	Slaughter, Andy
Dixon, Samantha	Thomas, Gareth
McMorrin, Anna	Thomson, Richard
Rodda, Matt	

NOES

Brereton, Jack	Jayawardena, rh Mr Ranil
Hands, rh Greg	Mangnall, Anthony
Henry, Darren	Sambrook, Gary
Hudson, Dr Neil	Stafford, Alexander
Hunt, Jane	Wood, Mike

Question accordingly negatived.

Question proposed, That the Chair do report the Bill to the House.

Greg Hands: On a point of order, Dr Huq. I just wanted to take this opportunity to say a few words of thanks here on the Committee. I extend my appreciation to the Clerks of the House for their invaluable advice, and to the Doorkeepers who, as always, ensure order is maintained well throughout proceedings. My thanks also go to my departmental officials and my private office, all of whom provide me with a tremendous amount of support behind the scenes. The piece of legislation is narrow yet significant, as it will help ensure the UK can successfully accede to the CPTPP and access all the benefits associated with membership.

I would like to thank His Majesty's loyal Opposition for their active participation in this debate. It has been interesting, and testy at times, but always worth while. I

[Greg Hands]

was surprised not to hear a contribution from the SNP during the course of this Committee debate, but perhaps they will reflect on that when it comes to Report stage later on. As we await Report stage and Third Reading, I am sure hon. Members will continue to raise any concerns they may have, and I strongly encourage them to do so. I thank you, Dr Huq, and Mr Davies, for chairing the Committee so capably and ably. My door is always open, and I look forward to continuing to engage with Members

from across the House to help ensure that the Bill is passed in a timely manner, so that all our constituents can begin to benefit from the impact of the UK's acceding to the comprehensive and progressive trans-Pacific partnership.

Question put and agreed to.

Bill accordingly to be reported, without amendment.

4.44 pm

Committee rose.