



Department for International Trade

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Dear Colleague,

Committee Stage of the Trade Bill took place between 16-25th June, with line-by-line scrutiny sessions held on the 18th, 23rd and 25th June. Committee Members raised a number of important points during the informed debate, which I thought it would be helpful to share with Colleagues across the House ahead of Report stage of the Bill on Monday 20 July.

As the Secretary of State and I highlighted at Second Reading on 20th May, as with the 2017-19 Trade Bill, this Bill contains key measures that will deliver for UK businesses and consumers across the UK, providing continuity and certainty, as we take action to build a country that is more outward looking than ever before:

Government Procurement Agreement

The Government Procurement Agreement is an agreement between 20 parties, comprising 48 World Trade Organization members, which aims to mutually open government procurement amongst its parties. This provides UK businesses with access to public procurement opportunities worth approximately £1.3 trillion per year, as well as facilitating access to UK public contracts covered by the agreement, ensuring taxpayers and consumers get the best value for money.

We intend to join the Government Procurement Agreement as an independent party on substantially the same terms that we have had under EU membership. Public procurers will be able to take into account a range of factors when conducting procurements, including social, labour and environmental considerations, so long as they are consistent with the UK's international obligations, including non-discrimination – obligations that already apply to the UK under our current Government Procurement Agreement membership.

The UK has an active procurement policy agenda on Small and Medium-sized Enterprises' participation, sustainable procurement, social value, and labour considerations. As an independent party, with our own voice, we will have the opportunity to engage other Government Procurement Agreement parties on these issues, for example via the Government Procurement Agreement Work Programmes, or other multilateral fora or bilateral channels.

It is Important to be clear the UK's market access schedule to Government Procurement Agreement coverage does not, and will not, cover Healthcare Services. It does cover goods and certain services above specific value thresholds procured by the NHS, such as medical equipment, cleaning and building management services - keeping these types of opportunities open to overseas competition helps ensure that the NHS can access vital resources at competitive prices. Contracting out such services has been a long-standing practice within the NHS, freeing up money to be spent on front-line delivery. If any future government were to seek to open up healthcare services to overseas competition under the Government Procurement Agreement, this could not be implemented using provisions in the Trade Bill.

Instead, the powers in Clause 1 of the Bill will enable us to give effect to our international obligations on joining the Government Procurement Agreement as an independent party, and to make changes as necessary in response to specific circumstances which may arise from time to time after our accession. For example, to reflect the accession of other parties to the Government Procurement Agreement, or to make the necessary adjustments where parties leave the agreement. The ability to make these changes is essential to allow us to continue to meet our international obligations.

Continuity Trade Agreements

Clause 2 of the Trade Bill assists with the Government's trade continuity programme. Following the transition period, EU trade agreements will no longer apply to the UK and trade continuity agreements will enter into effect. Thus far, we have signed trade continuity agreements with 48 countries, accounting for £110bn of trade in 2018, representing 74% of the trade with countries with whom we were seeking continuity before the Withdrawal Agreement was signed. The UK has also secured continuity of trade for 92 of 97 countries currently trading with the EU under Enhanced Partnership Agreements, or eligible for the UK Generalised Scheme of Preferences when the Transition Period ends – subject to final parliamentary, legislative and legal processes. We are continuing to work with partners on arrangements for the remaining countries covered by Enhanced Partnership Agreements.

It is important to emphasise that this power is needed to provide continuity of existing trading relationships. It will not allow the UK to implement free trade agreements with new trading partners, such as the USA, as it applies only in respect of the EU-third country agreements to which we were signatory before 31 January 2020. During the Committee's evidence sessions, we heard from a number of witnesses, including the Institute of Directors, the Confederation of British Industry, and Client Earth, who saw the Government's continuity programme as sensible and reasonable.

The agreements in scope of the power have already been subject to extensive scrutiny in their original form as EU agreements. As can be seen from the Parliamentary Reports the Government has published alongside continuity agreements signed to date, there is little difference between these and the original agreement. Calls for new scrutiny of these agreements would therefore not be an proportionate use of parliamentary time.

To reassure Parliament, however, we have put in place measures to constrain the power and provide extra scrutiny. All regulations made to implement obligations under these agreements will be subject to the affirmative procedure, and the power is also subject to a five-year sunset period, which can only be extended with the consent of both Houses.

Some Members have expressed concerns about standards in continuity agreements. As the Prime Minister outlined in his Greenwich speech, we have no intention of lowering standards through trade agreements. The UK has led the world in the development of environmental, labour and animal welfare standards, which are often based on British law, not international agreements, and none of the 20 agreements signed to date have resulted in a lowering of existing standards.

As mentioned, this Bill is not, and has never been, a vehicle to implement agreements with partners, such as the USA, who did not have a trade agreement with the EU before the end of 31 January 2020. However, I understand that colleagues are keen to make their voice heard on new free trade agreements. Government has said, repeatedly, that we will bring forward primary legislation to implement new free trade agreements, where necessary. Legislation will be debated and scrutinised by Parliament in the usual way, and I can assure Members that Government will draw on the expertise and experience in Parliament when delivering on our trade agenda.

Trade Remedies Authority

The Government is committed to ensuring UK producers are protected from injury caused by unfair trade practices such as dumping or subsidy, or unforeseen surges in imports. We are creating the Trade Remedies Authority as an independent, arms-length body, to operate an objective, evidence-based investigation process that businesses and consumers can have full confidence in.

We have established the Trade Remedies Authority in line with Cabinet Office guidance on creating Non-Departmental Public Bodies. Members of the Trade Remedies Authority's Board will be appointed on merit, following a fair and open competition. We have followed Cabinet Office guidance on conducting the public appointments in line with the principles of the Governance Code for Public Appointments, which sets out the role of Ministers in the public appointment process, and the principles they should adhere to. The Trade Remedies Authority Chair-Designate, Simon Walker, has been recruited on this basis, and the same will apply to the remaining Non-Executive Board members.

To ensure Members can satisfy themselves as to the impartiality, objectivity, and transparency of the trade remedies system, we will require the Trade Remedies Authority to produce a report on the performance of its functions during each financial year, which the Secretary of State must lay before Parliament.

Data Sharing and Collection

Having better information on which businesses trade is vital. Clause 7 sets out the powers needed for the Government to collect data to establish the number and identity of UK businesses exporting goods and services - in particular, smaller businesses and sole traders who may not be readily identifiable from existing data, but who may need a helping hand from Government to develop their export potential, reaching into existing and new markets. Clause 8 of the Trade Bill enables HMRC to share its data to organisations with public functions relating to trade.

I would also like to inform colleagues of an amendment the Government is bringing forward at Report Stage in relation to the data sharing provisions within the Bill. This amendment will create powers that will enable departments and public bodies to share data that they already collect with the Minister of the Crown, to support functions relating to trade.

The amendment will change Clause 8 to ensure that HMRC has the power to share data with the Cabinet Office. It also proposes an additional clause to enable the Secretary of State, the Minister of the Crown, and specific public bodies (Port Health Authorities and Highways England) to share data with a Minister of the Crown (primarily the Secretary of State for International Trade, and the Minister of the Cabinet Office), to facilitate the exercise of its functions relating to trade.

This will be a discretionary data gateway to help Cabinet Office and DIT ensure that the Government can provide better services to British businesses and consumers, by supporting the effective management of the end-to-end border process. The powers are drafted to ensure data will be used proportionately and securely to support functions relating to trade, and will only provide powers for government departments and public bodies to share data that is already collected.

I hope this letter provides Members with further reassurances on this Bill and clarifies what we discussed during Committee Stage.

I am placing a copy of this letter in the libraries of both Houses.

Yours ever,


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