

International Agreements Committee

Corrected oral evidence: General questions on trade negotiations

This session covered three different topics: general questions on trade negotiations, the UK-Australia negotiations, and the UK-New Zealand negotiations. We have therefore published these as separate transcripts. You can access the [Australia](#) and the [New Zealand transcripts](#) on our website.

Wednesday 27 April 2022

11 am

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Members present: Baroness Hayter of Kentish Town (The Chair); Lord Gold; Lord Lansley; Baroness Liddell of Coatdyke; Lord Morris of Aberavon; Lord Oates; Lord Razzall; Earl of Sandwich; Lord Udney-Lister.

Evidence Session No. 3

Heard in Public

Questions 24 - 29

Witnesses

: Lord Grimstone of Boscobel, Minister for Investment jointly at the Department for International Trade and the Department for Business, Energy & Industrial Strategy; Matthew Davies, Deputy Director, Chief Negotiator, New Zealand FTA, at the Department for International Trade; Ian Shepherd, Policy Director, Goods, Regulatory Environment and Gulf Cooperation Council at the Department for International Trade.

Examination of witnesses

Lord Grimstone; Matthew Davies; Ian Shepherd.

Q24 The Chair: Good morning. This is a meeting of the International Agreements Committee, and we are delighted to see the Minister and his colleagues with us today. Lord Grimstone, I gather this is the first time we are actually seeing you in person and have a little more of you than just

your head, so welcome to you. I understand your colleague who was expecting to be here has been hit by Covid, which is a reminder that it is still around, but please pass on our best wishes. Before we start, would you like to just introduce your two colleagues who are here?

Lord Grimstone of Boscobel: Yes, thank you very much, Madam Chair. I am joined by two colleagues today: Matt Davies on my left and Ian Shepherd on my right. Matt is the chief negotiator for our New Zealand FTA. James Clarke, who you kindly referred to, is our deputy chief negotiator—Vivian Life having retired—and is unfortunately unable to make today's session because not just him but one of his family is suffering illness at the moment. In the absence of James, I am very pleased to have with me Ian Shepherd, who is one of the policy directors in the department's trade negotiations group.

The Chair: Thank you for that. We will introduce ourselves as we go around; I am Dianne Hayter, Chair of the committee. Minister, perhaps by way of opening you would just like to say a few words before we ask the questions we have for you.

Lord Grimstone of Boscobel: Yes, certainly Madam Chair.

The Chair: I should say, obviously this is being broadcast. There will be a record of it and I know Ministers never want to alter what they say, but should you want to correct it there will be a *Hansard* record.

Lord Grimstone of Boscobel: That is very kind of you. Good morning, everybody, and thank you for inviting me here today. As Madam Chair said, this is my first time in two years that I have actually appeared physically in front of this committee, so it is very nice to see everybody in person.

This is the beginning of the end of a long journey we have had with these two FTAs. We last spoke about the Australia and New Zealand FTAs on 13 January and, as the committee knows, we have since signed the New Zealand FTA on 28 February, which built on the progress made by the December signing of the Australia FTA. I do feel that the Australia and New Zealand free trade agreements are comprehensive and modern agreements. Both agreements would eliminate tariffs on 100% of UK goods, remove trade barriers on a huge range of UK services and provide new opportunities for British businesses. Providing opportunities is of course one of the key objectives of our trade policy and the deals will deliver benefits to people, businesses and communities throughout the country, supporting the levelling-up agenda.

The New Zealand agreement is expected to increase trade with New Zealand by almost 60%, boost our economy by £800 million, and add £200 million to household wages in the long run. The Australia agreement is expected to increase trade with Australia by 53%, boost the economy by £2.3 billion and add £900 million to household wages each year in the long run. I am particularly proud of the ambition that was shown by ourselves and the

counterparties in areas such as the environment, gender equality and development, and that we have been able to focus on promoting the interests of small and medium-sized enterprises across the agreements.

The agreements break new ground in a variety of ways. The Australia FTA contains the world's first dedicated innovation chapter. This facilitates unprecedented access for British services and investors, and also—I think this is important—creates unrivalled opportunities for UK professionals to work in Australia. The New Zealand FTA contains a consumer protection chapter, the first of its kind for the UK, which highlights the importance of consumer welfare and trust, world-leading services and investment commitments, and the most ambitious environment chapter that we have seen in an FTA. These two deals are a win-win, not my favourite phrase but I think it is appropriate here, for the UK, Australia and New Zealand. We have there like-minded democracies which also believe in free and fair trade. They are a powerful statement of our shared values and a demonstration of how we do, and will, partner together in tackling the shared challenges our nations face, including confronting unfair trading practices and upholding the global rules-based system.

These deals also pave the way for the UK to join Australia and New Zealand in the Trans-Pacific Partnership. As Noble Lords know, that is a free trade area with a combined GDP of more than £8 trillion, made up of some of the Pacific's most dynamic economies. We reached a major milestone in the negotiations on the accession process in mid-February, and we are now in the process of beginning market access negotiations with the partnership.

I know how important parliamentary scrutiny is, not just to the committee but also to myself so, just to conclude, we are in the process of preparing the agreements for parliamentary scrutiny. In the case of Australia, you received an advanced copy of the TAC report before its publication on 13 April and I believe you are seeing the TAC chairman later today. The TAC concluded that the FTA did not require the UK to change its existing levels of statutory protection in relation to animal or plant life, or health, animal welfare or environmental protection. On the contrary, it shows that the FTA contains environmental and animal welfare obligations that require the UK to maintain its statutory protections in these areas.

As always, lots to talk about and I am very much looking forward to our discussion today. I thank you all very much again for inviting us to attend.

Q25 The Chair: Thank you for that. We are obviously interested in other issues as well as Australia and New Zealand, but as you have mentioned those and there are services involved, I would just like to declare that I serve on the board of the Association of British Insurers.

Could I start with something slightly more topical? I just wonder if you could provide an update on the very recent—I think on Monday and possibly Tuesday of this week—US trade dialogue that has been taking place in

Aberdeen and tell us something about the aims and likely outcomes of that discussion?

Lord Grimstone of Boscobel: Yes, certainly, Madam Chair. The UK and US trade dialogue first launched on 21 March, and we see these discussions as a key part of creating our shared approach with the US, which will allow us to advance trade policy that will help us all build a fairer, freer and greener global economy. Perhaps I should just mention in passing that they were more trade negotiations rather than FTA negotiations as such, but I realise that as this is the International Agreements Committee, trade in these dialogues is of importance.

As you rightly say, on 25 and 26 April this week, the second event in the dialogues took place in Aberdeen. This event was attended in person by the International Trade Secretary and the US Trade Representative, and we really feel that the UK and the US built on the areas of broad agreement that we had identified in the earlier discussions in Baltimore in March. The particular work streams discussed at the dialogue were digital and innovation, SMEs, green trade, supply chains, levelling up and worker-centric trade—all areas where there is a lot of common ground between ourselves and the US. I was very pleased that the Aberdeen dialogue convened leaders from across Scottish central and local government and a point that the committee might want to come back to later is the role of the devolved Administrations in these agreements. A wide range of businesses and, completely and utterly appropriately, a good range of trade unions and civil service groups and the TUC itself were represented at the talks. I am told that the mood was very positive, very friendly.

Although these dialogues in themselves are not producing a free trade agreement, they do provide an extremely good foundation for further engagement with the US and the hope is that they will help us build consensus across a range of issues with the US and then out of that consensus we may find that a free trade agreement—maybe on a chapter-by-chapter basis—will grow out of these dialogues into something permanent. If the committee would find it helpful, I am very happy to keep you updated as those dialogues progress.

The Chair: I am sure the committee will be interested but, whether by intention or not, you have waded into a really interesting area. You said we might want to look at the role of devolveds in these sorts of agreements, and you used the word “agreements”, but we are not actually the treaty committee, we are the agreements committee. It is not your department, but you will have known and seen the dialogue about the UK and Rwanda, where something that looks to us like an agreement is being called a memorandum of understanding and is therefore not covered by CRaG.

In discussions with America, if agreements are going to be reached—which you do not call a free trade agreement but nevertheless are agreements—there are some interesting issues about how they will come to Parliament;

or if there were any agreements, maybe with a small A, with individual states within America. Could you comment a bit about how you see where there is a government-to-government agreement, or even a government-to-a-particular-state agreement, why that should not still be pertinent to this committee and indeed to Parliament?

Lord Grimstone of Boscobel: Thank you for that. As you know, Madam Chair, I am not a great one for hiding behind weasel words, sometimes to the consternation of my officials, and both you and I would feel that if something looks like a duck, walks like a duck and quacks like a duck, it probably is a duck. Having said that, in a sense, the parent body of this committee is the FCDO, which no doubt has a view to all sorts of precedents in relation to this and that if it gives ground in one way, does that mean it will have to give ground in other ways?

As far as I and the trade department are concerned, we are always very happy to have dialogues with this committee. Generally speaking, I do not like resting on a legalistic position because I think that goes against the spirit, frankly, of this House and of parliamentary scrutiny but, if I may, I will not commit myself to anything specific on any of these agreements until they actually emerge and we see what they are.

The Chair: What a shame, we like getting early commitments from you. Let us move on to Baroness Liddell.

Q26 Baroness Liddell of Coatdyke: Thank you very much, Chair. As is inevitable with a lot of these agreements, both agreements for Australia and New Zealand contain provisions for which the impact on the UK at this stage is uncertain, such as to what extent Australia and New Zealand will use the tariff rate quotas—TRQs. Could you give us some indication of how the Government will monitor the implementation and the impact of the agreements and what would be required to promote any change in the agreement at this point to, as we say, improve the performance of the deal?

Lord Grimstone of Boscobel: Yes, certainly, and I may bring my two colleagues in to speak specifically about their agreements. In practice, all free trade agreements are living agreements, where, over time, things come to light, matters move on, and it is absolutely appropriate to have a mechanism, as we have in these agreements, that they can be discussed. There are formal review points in both these agreements, as is commonplace in agreements of this sort.

I would say we are fortunate with both Australia and New Zealand that because we are like-minded—that is an easy phrase to use, sometimes it does not mean very much, but I do think in the case of these two countries we are like-minded—our approach to this is the same, so I am not expecting any great disagreements to come out of these review periods. It is obviously right that we look at this agreement once it has been working for a while and we have mechanisms to adjust it. In some instances, of course, those mechanisms may be of such import that they materially affect the

agreement and then there is absolutely a matter which this committee, I am sure, would want to be interested in.

Can I ask perhaps Matt, to come in first on Australia and then Ian to come in on this?

Matthew Davies: Yes, exactly as the Minister has said, there are a range of mechanisms through which we will be trying to track the use and the impact of the agreement. Within the New Zealand agreement, and it is true for Australia as well, we have a number of institutional provisions that will be used to engage with New Zealand, and we will be using those to assess the functioning of the agreement. There is a built-in review clause that covers the whole agreement—I think it is seven years for both New Zealand and Australia¹—and then underneath that, as part of the outcome of the agreements, there are a whole series of collaboration and information-sharing provisions as well, which we see as benefits in and of themselves but they will also provide information as to how certain aspects of the agreement are being used. As an example, you referenced the tariff rate quotas in your question. For Australia, we will have the ability to do the administration of these on a licensing system so we will be tracking information in real time. For New Zealand, we have agreed a transparency mechanism whereby New Zealand will have to provide us certain information on the use of those quotas, again, in real time. The variety of information and engagement will vary depending on the provisions, but we feel there are quite a lot of mechanisms built into the agreement.

The other thing that the department is committed to do for both Australia and New Zealand is to build on the work of the impact assessment so five years after entry into force, we will undertake a post-entry into force evaluation, so a broader piece of stepping back and trying to assess the wider impacts, which are perhaps a bit harder to unpack than some of that real-time data but still equally important.² We feel through all of that we have quite a suite of mechanisms through which we can understand what is happening and indeed will place us alongside our business engagement work and the work of other parts of the department, which will be seeking to make sure there is full utilisation of all the benefits of the agreement on both sides.

Ian Shepherd: Just to add a little more on that, the administration point on the Australia TRQs means we will see what is happening in relatively deep detail in terms of what is coming in and we can monitor what is happening there. Matt was talking about what is in both Australia and New Zealand; coverage of the evaluation point applies after five years for both countries, when we will come back with information on how the FTA is being used and the effects of it. There are also committees—an animal welfare committee, for example—built into the agreement, where you can have a dialogue between the UK and Australia on that topic. There are lots of ways in which you can use the free trade agreement to have discussions with the other party, whether it be Australia or New Zealand, as well as ways in which we

can see what is happening in terms of the effects on the UK economy and other factors.

The Chair: Thank you. Will you publish this?

Lord Grimstone of Boscobel: Publish what, Madam Chair?

The Chair: The monitoring that is going on.

Lord Grimstone of Boscobel: A lot of the monitoring will be day to day and immaterial. I am sure if the monitoring produced things which were of material importance, we would communicate that in one way or the other to the committee. I do not think will be giving a running commentary month in, month out, but the formal reports will be published in due course when they are done. Was it the two-year³ and the five-year point?

Ian Shepherd: Yes, the five-year evaluation report is a commitment to publish.

The Chair: We may want a bit more. The point of monitoring is whether you are going to take any mitigation when you are seeing it and actually, in five years' time, if you have not done any mitigation, it will not be terribly useful. Maybe we could continue a dialogue about how we can get things.

Ian Shepherd: Just to reassure members of the committee, there will be. For instance, on the TRQs, we are not waiting five years to see what is happening in year one because, in administering the TRQs, we are going to be seeing what is happening in much more real time than that. Indeed, there are mechanisms in the treaty whereby we will actually be using some of that information as a result of clauses in the treaty. In terms of how we will be working with the treaty, it is definitely not a case of leave it be and come back in five years. The information will be received in much more real time.

The Chair: Maybe just lodge that we would like some of that to be shared with us.

Lord Grimstone of Boscobel: I will be very happy to update the committee when we have our regular review sessions where we look at the whole ambit of free trade agreements as to what is going on.

The Chair: That would be helpful. Lord Sandwich.

Q27 Earl of Sandwich: Thank you very much, Chair. Minister, you have anticipated the question on the DAs and here I am ready to present it, because we shall always be concerned about them.

We all know tariffs are a reserved matter, but any market liberalisation can, or is likely to, have a disproportionate impact on the DAs and details were not shared from the beginning. The Scottish Government point out that impact assessments are simply not detailed enough. They do not amount to

full consultation given the levels of liberalisation. Perhaps you could comment on what is going to happen in the future because it does not seem good enough to us.

Lord Grimstone of Boscobel: Yes, certainly, and I do realise the importance of the point. As you yourself have noted, international trade is a reserved matter, but of course it is right and proper to recognise that modern trade agreements increasingly interact with areas of devolved competence, so it is a bit of a mix and match in terms of reserved matters and non-reserved matters. Of course, this gives the DAs a significant interest in international trade policy and that includes goods tariff lines, and we do work closely with them to deliver negotiation objectives in goods that reflect the interests of all nations within the UK. I know that people sometimes wonder whether we are working closely enough, but as I see it there is close contact. I suppose in a sense you could say, "Why wouldn't we want to do that?"

I reported to the committee before that we have created engagement structures at all levels to try to ensure a constructive approach to working with the DAs; it is called the quarterly Ministerial Forum for Trade. There are regular bilateral ministerial meetings. When an FTA is running along, every six weeks the goods team meet the DAs to discuss negotiation objectives across the FTAs. We have regular calls with senior negotiators from each FTA team in parallel with negotiation rounds, and this naturally exaggerates in the run-up to agreement in principle and the signature of the agreements.

But it is absolutely right that we do not share detailed tariff schedules in chapters because we consider those to be reserved areas, particularly in relation to goods, but also because these tariff schedules are subject to change. In some ways they are the meat of the negotiation. They are highly sensitive in the early stages of the negotiation and there are cards in our hand there, so it is right and proper that we hold them very close to our chest. We do recognise the importance that the DAs attach to this, and we have been working hard to share written summaries with them which give a more detailed overview of negotiation objectives. We always encourage their detailed comments and will continue to do so. I suspect it is one of those things where we are never going to completely satisfy them, but we will continue to do our best to do that because there is nothing in it for us—to put it crudely—in not doing that, but not in such a way, and I am sure the committee would not want us to do this, which jeopardised the overall negotiations.

Earl of Sandwich: From what you have said, if you are not going to alter the impact assessments, does that mean that you might provide the information on a more regular basis but outside the impact assessment?

Lord Grimstone of Boscobel: We do the impact assessments at the beginning. We do think that we have to do more work in the public impact assessments to give a more detailed picture of the potential impacts of trade agreements on the devolved nations. We did a review of our modelling

techniques, and our analysts are now considering how they can improve the analysis of impacts of FTAs on the nations and regions of the UK. This would include how we can analyse subnational impacts, to better account for, for example, supply chain and labour market interlinkages, but I have to say that this modelling, in its nature, is not very good at the granular level and the more granular you become, the less relevant it is. But it might be interesting for the committee if I can turn to New Zealand. Matt, could you give a flavour of the kind of interactions you had with the DAs?

Matthew Davies: Yes, so just to unpack the lived experience of that regular engagement, we are trying to balance the line between protecting the negotiation and keeping the officials and the devolveds fully involved at a working level. From about June last year all the way through to the agreement in principle and signature, either I or my deputy had weekly meetings with DA officials. Every Thursday, I think, at 11 am, a standing feature in my diary was to have a session with the relevant officials from the devolveds, and I used that as an opportunity to keep them as fully involved and in the loop of the negotiations as I could and was always very clear about what their particular agenda and objectives were for the negotiation. As the Minister said, because of the way that negotiations always seem to work, with market access offers being the very last thing to be settled, we could not reveal the full hand to them, but, in that dialogue we could have a pretty open and honest engagement about what was going on.

To be fair, that was probably one of the groups of stakeholders that I have met most regularly to talk about some of the issues at hand over the course of managing this negotiation. We are trying to manage a balance but, certainly over the time I have been involved in the department and worked on negotiations, we have just really stepped up and increased that working-level engagement and tried to manage that boundary.

The Chair: We need to move on to Australia in a moment, but I know there are two supplementaries. I wonder if we could take those two and then you respond to the two of them together. The first is from Baroness Liddell and then Lord Morris.

Baroness Liddell of Coatdyke: Thank you. I am afraid the picture that we are getting from the devolved Administrations is one of complete frustration with the process. Devolved Administrations can do that as part of a political agenda, but, frankly, if you see where there is both a reserved interest and a devolved interest—agriculture is the most obvious one—it is in everybody's interest to try to get some kind of agreement going forward.

It is very much a different picture from what we are hearing from the devolved Administrations that we are hearing from you. You know Scotland probably as well as I do, and it is not a good position to be in. I would urge that you look hard at what more can be done.

The Chair: Perhaps we could have Lord Morris, because the Welsh may be saying similar things.

Lord Morris of Aberavon: Over the years, we have had repeated assertions by the devolved Administrations that some matters are too delicate to be fully disclosed and we do not hear exactly what their views are. One of you said you are pretty open and honest—are you satisfied that the devolved Administrations are happy with the relationships? It is quite an artificial distinction between what is reserved and what is not reserved, when agriculture is reserved but the repercussions for the devolved nations are enormous. I happen to be going down to Cardiff on 11 May for an important ceremony as the senior surviving Secretary of State and I will be asking them then whether they are satisfied and content. You must admit we are on a learning curve here and I hope the learning curve continues, but are you satisfied that they are satisfied?

Lord Grimstone of Boscobel: I can say categorically that they are not satisfied because the dissatisfaction manifests itself in all sorts of ways. But the point that Baroness Liddell made is important, that it is not always easy to distinguish what you might call the quite proper politics in this between the substance of this. Certainly, as I see it from the inside, in terms of the interaction that my officials and my ministerial colleagues have, there are close interactions and those meetings always tend to be positive, friendly, give and take, information exchanged, but I suspect it may never be possible to satisfy them for as long as trade negotiations are a reserved matter. I understand that it puts the committee in a difficult position because you have me sitting here, not quite saying that everything in the garden is rosy, but painting an optimistic picture, and then you hear from the DAs that they are not satisfied. All I think I can say is that we will continue to work very hard at this. It is not in our interests that they are dissatisfied, but I suspect that the realpolitik of this is that it may be impossible to keep them completely satisfied. That does not mean we should not continue to try and that the committee, with all due respect, shall continue to push me on this each time that we meet to discuss it.

The Chair: I think I can promise we will do that. Thank you for that. Lord Oates.

Q28 Lord Oates: Thank you very much. I wonder if I could turn to the environment. Chapter 22 of both the New Zealand and the Australia FTAs deal with the environment and it is quite striking how different they are. We have heard a lot about the fact that there is no specific reference to the Paris Agreement temperature goals in the Australia version of that chapter and much of the language about the urgent threat of climate change is entirely absent, but it goes far beyond that. There are references in the New Zealand FTA to eliminating fossil fuel subsidies, working towards carbon pricing, trade, environmental goods and services, and so on. Can you tell us, is it up to our negotiating partner in trade agreements to determine how ambitious we are on climate, or can we hope that in future trade

agreements the British Government will hold out more firmly for specific commitments?

Lord Grimstone of Boscobel: Thank you. Again, if I may say, it is a very good question. It is important we remember that these agreements are always different from each other. We are looking at these two together and saying, "Oh, the Australia and New Zealand FTAs", but these are two different countries, two different sets of negotiators and two different sets of objectives. Our underlying position is to be very strong on climate. As part of my preparation for today, yesterday evening I read through the evidence which the Australian high commissioner gave to the committee just a couple of months ago. I have to say, I thought he dealt with the climate point very well—maybe not to the satisfaction of every member of the committee, but I thought it did come across in his testimony that Australia takes this very seriously. The Australian agreement does reflect its commitment to the Paris Agreement, which of course is the underpinning of all of this, and having read his testimony, I was left in no doubt to the importance that they took.

Different teams of negotiators attach different priorities to things and, frankly, if we approach these negotiations by saying, "This is our template, this is what we insist you sign up to, whether you are Australia, New Zealand, Canada, Mexico or what have you", we would not get very far in the negotiations. We deal with these case by case, but it is absolutely right and proper that underlying that is a very clear view that we have that climate is one of the most important topics that we cover in this, and in each case we should seek to agree and negotiate the most ambitious statements that we can.

Again, the committee might find it interesting if I turn first of all to Ian on the Australia side and then Matt on New Zealand, just to give a bit of a flavour as to how the negotiations actually went in these two areas.

Ian Shepherd: Absolutely. There is some important stuff on the environment in the Australia deal. For instance, on the tariff side, you have tariff reductions for UK exports of wind turbine blades and electric vehicles; there are also important clauses on strengthening co-operation on areas such as the circular economy and sustainability forest management. You also have Australia signing up to the Paris Agreement, which contains the 1.5 degree temperature goal, so it is there via that commitment. Within the Australia deal itself, there is ambitious stuff on the environment.

Lord Oates: Thank you. Could I just come back to this? There will be different views between us, and indeed within this committee, on how well the outgoing high commissioner dealt with that, but what there is no question about is that the Australia free trade agreement is much less ambitious on climate, in terms of language and of specifics. There may be some specific issues around tariffs on various things, but, in terms of commitments, would you agree that the environment chapter in the Australia FTA is much less ambitious than the one in the New Zealand FTA?

Lord Grimstone of Boscobel: I completely agree that they are different and that they reflect each country's view of the relative priority that it attaches to aspects of climate. With due respect, I do not think it is for me to comment on the domestic policies and the underlying position of both those countries. At the end of the day, these agreements do reflect the position in each individual country and the agreements that we end up with are what we are able to negotiate with each individual country to be as positive as possible, but you have to reflect the political situation.

I do think that Australia has moved a long way on this. Some of the commitments Australia has given recently on climate have been very welcome. At COP 26 it gave some strong commitments on climate, but it is different from New Zealand, as you would expect it to be, in the same way that you would expect it to be different from Canada, Mexico or anywhere else. I do not think it is possible to change countries' underlying positions on some of these things through the negotiation of free trade agreements. At the margin one can, but, with all due respect, it is slightly unrealistic to think that a team of negotiators can necessarily change a country's settled views. I think that perhaps you had an easier job on New Zealand.

Matthew Davies: Well, yes. One of the ways of measuring success in trade agreements is partly about where you end up, absolutely. Another measure is how far you have actually moved countries past their precedent and, yes, in that respect we had a slightly easier job with New Zealand in the starting position. With Australia though, there is a really big precedent move, which is it has included a climate change article in the environment chapter for the first time and the UK should take that as a very big victory. With New Zealand, because we had this higher starting place, it was in the interests, and a shared aim, of both partners to use our environment chapter to then try to push the margins even further and that is something you saw in our bilateral partnership; it is also useful when reflecting back into the ongoing relationship with Australia and other future partners. With the New Zealand deal, Sam Lowe came here and said he thought it was about the ceiling of what you could achieve in an FTA, and that was certainly our ambition. That is what we will now be using to continue and influence FTAs, including through the inbuilt dialogue mechanisms that we have with partners such as Australia as well.

The Chair: Thank you for that. Can I go again to Lord Morris?

Q29 Lord Morris of Aberavon: As a lawyer, I am interested and guided by precedents. We have had repeated concerns from farming organisations and the devolved Governments that others with whom we will negotiate would seek similar levels of market access. I am concerned at the cumulative impact on the UK of these agreements. How are the Government, in their negotiating stance, planning to balance safeguards for UK agricultural producers on the one hand and concessions to significant agricultural exporters on the other? Could we be treading into the unknown?

Lord Grimstone of Boscobel: Again, without repeating what I said earlier, every negotiation is bespoke and because something has been agreed, conceded or won in one particular agreement does not in itself change what is going to happen for future agreements. I do think the advent of the TAC is a very important safeguard for making sure that there is not—perhaps using my own words rather than yours—mission creep in this, because, whenever it does its investigations, the TAC is taking this back to ground zero, as it were, as to what will be the impact of these agreements. I would guess that it is not going to be moving its position to take account of precedent, although this is a matter you may want to discuss with its chairman. It is going to approach this properly, analytically, objectively and intellectually, agreement by agreement. If there were mission creep and we started to take matters which we treat very importantly as less important, and there is no sign that we are going to do that, there are enough protection mechanisms to catch us out. But this will never become a case that precedent rolls on from agreement to agreement.

Lord Morris of Aberavon: Thank you. On mission creep, how can we be assured that other negotiators will not take advantage of any concession which has been made now?

Lord Grimstone of Boscobel: First of all, I can give you an assurance that we do not approach this from the basis of mission creep. The eagle eye—which is your committee, Madam Chair, the ITC and scrutiny—stops us doing that. But we have no ambition to do it because we believe in what we are doing. It sounds trite, but we really do believe in striking the best deal for the UK that we possibly can in these agreements. When I say the UK, it is every aspect of the UK, including farmers, who are very important component parts of these agreements.