International Trade Committee

Oral evidence: UK trade negotiations: Agreement with the Gulf Co-operation Council, HC 79

Wednesday 26 October 2022

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Watch the meeting

Members present: Angus Brendan MacNeil (Chair); Mark Garnier; Paul Girvan; Sir Mark Hendrick; Anthony Mangnall; Martin Vickers; Mick Whitley; Mike Wood.

Questions 108 - 173

Witnesses

I: Peter Stevenson, Chief Policy Adviser, Compassion in World Farming; Dr Awal Fuseini, Senior Halal Sector Manager, Agriculture and Horticulture Development Board.

II: Dominic Goudie, Head of International Trade, Food and Drink Federation; Sarah Baker, Economic Strategist, Agriculture and Horticulture Development Board; Nick von Westenholz, Director of EU Exit and International Trade, NFU; Houaida Alawieh, Senior Regulatory Affairs Adviser, Campden BRI Group.

Written evidence from witnesses:

Compassion in World Farming

NFU

Examination of witnesses

Witnesses: Peter Stevenson and Dr Awal Fuseini.

Q108 **Chair:** Good morning and welcome to the International Trade Committee's evidence session on UK trade negotiations and the agreement with the GCC—the Gulf Co-operation Council.

We have two panels this morning, a panel of two and a panel of four. On the first panel we have Peter Stevenson OBE and Dr Awal Fuseini. I will let them introduce themselves on their own terms—name, rank and serial number, gentlemen.

Peter Stevenson: I am Peter Stevenson, chief policy adviser at Compassion in World Farming and a solicitor by background. I have worked in the area of slaughter problems in the Middle East for some 30 years.

Dr Fuseini: My name is Awal Fuseini. I am a senior halal sector manager at the Agriculture and Horticulture Development Board. I look after the domestic and Middle East market for levy payers, for exporters.

Q109 **Chair:** To kick off this morning, Peter Stevenson, what should the UK's top priority be in negotiating animal welfare provisions in a trade agreement with the GCC? What will the likely challenges to achieving it be?

Peter Stevenson: The big problem throughout the Middle East, including in the GCC countries, is welfare at slaughter. Animals in the Middle East are usually not stunned. I would like them to be stunned, but this is not the core of the problem. The big welfare problems are happening from the way the animals are moved from the slaughterhouse entrance or a holding pen to the killing point, and then the way they are restrained, ready for the throat cut.

Sheep are dragged from the slaughterhouse entrance to the killing point. They are dragged by a front leg, by a rear leg or by the fleece. The treatment of cattle is much worse because they are so much bigger. They will often be very roughly beaten as they are moved from the slaughterhouse entrance to the killing point.

Q110 **Chair:** Your main issue is not the slaughtering issue; your main issue is those moments pre-slaughter.

Peter Stevenson: Yes, exactly. It is that handling. The cattle will be very roughly dragged and beaten to the killing point. In some cases they will sever the leg tendons of animals to hobble them. Once they are at that killing point, then they have to be forced to the ground, not always but that is the most common method. Again, it is a brutal process to bring a big animal to the ground. Sometimes several men will jump on the back of the animal and lie across its back until it collapses to the ground. Once it is on the ground, the head will often be twisted so the neck is exposed ready for the throat cut.

Q111 **Chair:** Is there any specific reason for it being on the ground?

Peter Stevenson: No. Indeed, from a hygiene point of view it is a disaster being on the ground. It is covered with blood, urine and faeces. That is going to get into the meat.

In other cases, they will tie cattle to a post. The slaughtermen are often frightened of these large animals, so they do not get close enough to give just one clean cut across the neck to kill them. They will often stand at arm's length and just stab the tip of the knife into the neck. This is very common. It will often take four or five such stabs for blood to trickle out and for the animal to collapse to the ground. It will take much longer for it to die. In the worst case, I have counted over 40 such stabs before an animal died.

Q112 **Chair:** How often have you been in slaughterhouses?

Peter Stevenson: I have been in slaughterhouses in the Middle East on a number of occasions over the last 30 years. I have also seen films from investigators from a large number of animal welfare groups.

Q113 **Chair:** When was the last time you were in a slaughterhouse in the Middle East?

Peter Stevenson: The last time I was in a slaughterhouse in the Middle East was Lebanon in 2014 and 2015. I have been to Jordan several times. Indeed, I have worked with the authorities in Jordan trying to improve conditions. Princess Alia, the King's sister, is very positive on animal welfare, but it is immensely difficult to get improvements.

What I am describing is not occasional; it is typical. That is not to say there will not be an occasional slaughterhouse that does it well, but what I am talking about is the norm. I am not wishing to be critical of Muslims. When Muslims see our films, including imams, they are horrified and they say that such treatment is not halal.

Now, the World Organisation for Animal Health has set international standards for welfare at slaughter. I have often said to people, including Ministers of Agriculture in the Middle East, "Try to meet these standards". They say, "We want to. Tell us what we have to do. What are the practical things we have to do?"

Two consequences flow from what I have said. First, there should be no export of live farm animals to any part of the Middle East. Secondly, part of this deal should be for the UK to offer to help train slaughterhouses to observe not our standards but the international standards of the World Organisation for Animal Health.

We have suggested programmes for how that could be done. You cannot train in every slaughterhouse. You should pick one big central one and perhaps one little local one, work with the management, veterinarians and staff, and then come back a few weeks later. It is in the nature of things that some things will be forgotten. It will be a process of months and years to build up good welfare at slaughter.

Of all the things I have seen in 30 years of working on farm animal welfare, nothing is as utterly upsetting as slaughter in the Middle East.

Q114 **Chair:** We are talking specifically about the GCC. Have you been in slaughterhouses or do you know people who have been in slaughterhouses in the UAE, Bahrain, Saudi Arabia, Qatar, Oman or Yemen?

Peter Stevenson: I have spoken recently to two organisations that have filmed and visited slaughterhouses regularly. First, I have spoken to Animals Australia, which also has a branch called Animals International. Traditionally, Australia has a huge live export trade to the Middle East. I have also spoken to a German organisation called Animals' Angels, which specialises in doing investigations. More than lobbying, they go to places and chart what is happening.

I went to them because the director there had said that she had heard of or seen quite a good slaughterhouse in the UAE. When I went back to her, she did not really have much detail. If there are one or two good slaughterhouses, which would be great, those should be used as a model to help others in the region improve.

I really want to emphasise that I am not trying to be critical or unpleasant about Muslims. I am trying to say that we should not send live animals there, and, as we develop this relationship through the trade agreement, we should also offer help and assistance.

Q115 **Chair:** You are critical about matters, and it sounds like rightly so. Sometimes, when a person is critical of another person, they shut down and close. I do not want to say "hide", but sometimes they are reluctant to engage. How easy would it be for you to get to a slaughterhouse in one of the six countries of the GCC, if you wanted to? Would these Governments be happy to let you or your colleagues in, or are they closed about it?

Peter Stevenson: I have not had a problem getting into slaughterhouses. I have not even had a problem talking to management and veterinarians. I am not saying it will always be easy, but there is not a fundamental problem. The problem is beginning the training.

I have talked about animals being really brutally treated as they move from the entrance of the slaughterhouse to the killing point. There needs to be training. How do you move animals calmly, quietly and skilfully? You do not need lots of expensive Western infrastructure, but you need some. If you have no passageway, no raceway between the entrance to the slaughterhouse and the killing point, it is probably impossible to move cattle in a humane way. You need a raceway with quite high sides so they are not being distracted by activities happening around the place.

There was no understanding of how animals move. I went to a slaughterhouse in Jordan some years ago. It was a brand-new cattle slaughterhouse. There were some holding pens. You have to move the animals from the pen to the killing point. To get through the passageway—they did have one from the holding pen—the animals had to go through a right angle. Cattle will not go through a right angle. They are frightened; they do not know what is waiting for them. The workers will have to use sticks and electric goads to force them. You have built suffering and poor welfare into the very fabric of the slaughterhouse. Anybody who knows even a little about this could have said to these people, "No, you have to have a gentle bend, not a right angle". There are so many quite simple and inexpensive things that could be done.

We are not talking about having to throw millions at the problem. We are talking about skill and understanding. It would be lovely to see the UK Government taking the lead in helping. Organisations like Compassion in World Farming would be happy to help. In the end, Governments in the GCC are going to listen to another Government much more readily than to us.

Q116 **Anthony Mangnall:** We have been hearing already that Australia and New Zealand have done agreements. Especially in the case of New Zealand, they are doing non-stunned carcases. Is this changing anything? What are the Australians demanding? What are the New Zealanders demanding? They have very high standards about this stuff.

Peter Stevenson: Both of them have exported meat to the Middle East for many, many years. Both require, nonetheless, that the animals are pre-stunned in Australia or New Zealand. This is known; it is not hidden. The importing countries of the Middle East accept it. There are quite a lot of Muslims who will accept stunning, provided it only makes the animal unconscious and does not kill it. At the point of the knife cut, it can be unconscious as long as it remains alive.

Q117 **Anthony Mangnall:** That is really helpful. I am trying to understand how much they are exporting in terms of carcases versus live animals.

Peter Stevenson: I have not looked at figures over the last three or four years, but I am sure it is still the same. Even at the height of the Australian live export trade, both the quantity and value of meat and carcases was much greater than live. New Zealand has banned live exports for slaughter in fact some years ago, and its ban on the export of animals for breeding comes into force next year. It will be solely a meat and carcase export trade.

Q118 **Anthony Mangnall:** I have one follow-up on that. If that does happen, if they say, "We are not going to export live animals", do areas like the Gulf just say, "We will look somewhere else; we will look to a country that can give it to us" or do they say, "Okay, you are taking on the responsibility of slaughtering these animals. Therefore you do it; it is your cost, but we will take the carcase"? Is it negatively impacting their trade?

Peter Stevenson: There are probably elements of both. I have not heard of a country in the Middle East that refuses meat exports from New Zealand and Australia even though they know they are pre-stunned to this halal requirement that the stun does not kill but just renders the animal unconscious. Yes, there are the exports from South America into the Middle East. Therefore, yes, as one country says, "No, we will not send live animals", the Middle East may turn to other countries. There are big opportunities for meat exports.

I was asked by the Committee Clerk to look at a document that I believe you have already looked at as a Committee, a New Zealand document about their standards for stunning. Particularly when it came to chickens, I was actually horrified. The parameters they give are not going to stun chickens. They are going to give them an electric shock. The animal will probably be rendered paralysed but conscious. In other words, it will be conscious and feel everything when its neck is cut. After neck cutting, with chickens, they are placed into what is called a scalding tank to loosen the feathers.

I can be very specific why it will not. They are saying that it should be a current of 18 milliamps. All the scientific literature suggests that to stun a chicken you need about 100 milliamps. That is actually the minimum in our law. They also say that DC, direct current, should be used. Again, all the literature shows that DC does not stun as effectively as AC, alternating current. This is what I would call a pretend stun. You are saying to people, "Do not worry. We are stunning", but you are using electrical parameters that will not provide a stun.

Q119 **Chair:** That is a criticism of New Zealand you are giving.

Peter Stevenson: Yes. These are the New Zealand standards. In other words, yes, they are stunning, but that is not a stun; it is an electric shock. It is rendering animals paralysed.

Q120 **Sir Mark Hendrick:** Just coming back to your point on training, I would imagine that the people working in these slaughterhouses have been pretty hardened and they have adopted brutal behaviour. How effective can training be when they have already exhibited that sort of behaviour? Why should they begin to care when previously they did not care?

Peter Stevenson: It is not going to be at all easy. It is going to take many years' work. You need a champion in a country. As I say, we were lucky enough in Jordan that Princess Alia very much championed this. Even with her help, progress has been desperately slow.

The problems are severe. You get a huge number of people in the abattoir, many more than you need to kill the animals. They are bystanders; they are shouting; they are moving, all of which terrifies the animals. All the practical advice is to not have more people in an abattoir than needed, and to keep it very quiet and very calm. You even have children in these abattoirs. From an early age, they are beginning to think of this treatment as normal. It is a huge problem.

Nonetheless, I believe we need to help these countries address it. I repeat: whenever Muslims see our films, they are shocked. They say, "This is not halal". When I was in Lebanon, the Minister of Agriculture at the time had just visited the main abattoir in Beirut. He was reported in the local Lebanese press as being shocked by the cruelty with which the animals were killed. Those were his words, not my paraphrase.

As soon as people in these countries see what is going on, they are horrified. From a food hygiene point of view, treating animals like this is a disaster. As I say, if they are on the ground, there is blood, faeces and urine. Clearly, you have unhealthy meat. It was these worries that got Lebanon to invite somebody like me to come over and talk to them. Even if they are not on the ground, the amount of stress that is created will lead to very high pH levels and the multiplication of bacteria. From both a hygiene and a welfare point of view, this needs to be changed.

Q121 **Sir Mark Hendrick:** As far as a free trade agreement is concerned, is there not a danger that bodies concerned with animal welfare will be tokenistic and not serve any proper purpose because they cannot effectively enforce any such agreement?

Peter Stevenson: It will be difficult to enforce, which is why the UK Government would need to work hard with the GCC countries to establish a fruitful relationship. As I say, I have heard that there are one or two abattoirs in the Emirates that are operating to high standards. I am not underestimating the difficulties, but this is a marvellous opportunity for the UK to lead the world in helping to improve welfare standards at slaughter.

Q122 **Sir Mark Hendrick:** Would it not be a better idea if the UK had an arrangement similar to that of New Zealand whereby they would accept stunned animal carcases?

Peter Stevenson: Both things are needed. We should not send live animals there, but we should help them improve their welfare standards for the sake of the local animals. Yes, I say with quite a lot of trepidation, we could stun animals here to halal standards and send the carcases, but it has to be a real stun, not one at 18 milliamps with DC current for chickens.

You have a problem with cattle as well. The New Zealand standards say it has to be a head-only electrical stun because from a head-only stun the animal will recover, if it is not killed. That is the big test for halal. I cannot be precise about it, but the vast majority of cattle in the UK are stunned with a captive bolt. A big report on this was produced by the European Food Safety Authority in 2020. They looked at all the science on this. They said that head-only electric stunning of cattle will probably mean that the animal will recover consciousness as it bleeds to death, before it dies. Head-only electric stunning can work for sheep, but not for cattle. I would be really nervous about that.

We can take on board the New Zealand principle of saying, "We will stun animals for halal before export as meat and carcases", but we would have to review the details of their standards, which are too weak.

Q123 **Sir Mark Hendrick:** You mentioned 18 milliamps for chickens. You said it needs at least 100 milliamps. A chicken is a very small animal. What sort of current is required for a cow, for example?

Peter Stevenson: For cattle, looking at the law, the minimum current for cattle is 1.28 amps. For calves it would be 1.25 amps. The New Zealand level of 18 milliamps is just for chickens.

Q124 **Anthony Mangnall:** Who sets the standards? Is there anything out there in terms of WTO or organisations like yours that are setting a standard for what you want to see on a global scale? Just out of interest, do you have any view as to whether this would have buy-in from a significant number of countries?

Peter Stevenson: The standards on animal welfare for slaughter on farm internationally are set by what until very recently was called the OIE. They have now formally changed their name to the World Organisation for Animal Health. For the last 80 years, they have been the organisation that sets global health standard for animals to prevent disease being spread around the world. Over the last 20 or so years, they have set welfare standards as well.

Q125 **Anthony Mangnall:** Sorry, I am just going to push you on this. They are setting the standards, but is anyone buying into it? You have an organisation saying, "It should be X". Who is actually signing up to it? Is the WTO turning around and saying, "This is a great idea. We should be doing it"?

Peter Stevenson: I will come to the WTO in a moment. The World Organisation for Animal Health is not good at enforcement. They do not see enforcement as part of their role. They have offered training, but it is usually to the chief veterinary officer and his or her staff. It is not percolating down to the ground, in the slaughterhouses.

That is why I suggested earlier that we should be working with the management, vets and slaughtermen at one big main abattoir and perhaps one little local one where there is a very different environment. Over a period of time, we could train them, help them and guide them. That would hopefully percolate out to other abattoirs in the area.

Yes, there are international standards. They are not enforced. There is not practical buy-in, but, as I said, whenever I talk to people in the Middle East and I say, "What about the World Organisation for Animal Health standards", they say, "Yes, we want to comply. Please tell us what we do". There is a big gap between reading the words on the page and saying, "How, in practice, do I get this large animal, this cow, from this point at the entrance of the abattoir to the point where I am going to kill her? How do I do it in a way that is gentle, humane and skilful?"

Q126 **Anthony Mangnall:** Dr Fuseini, we are sorry to keep you waiting. I am interested in the implications of increasing our exports to the Gulf, to the GCC. We have seen some very positive reports from the NFU saying that this is a huge opportunity for farmers. Could you tell us whether there is a way through, looking at stunned carcases? What are the halal community and organisations saying about what we can do in terms of signing a trade deal?

Dr Fuseini: In 2017, I conducted research—I was still at Bristol doing my PhD—looking at Islamic scholars' opinion on stunning. This research included Islamic scholars from across the UK.

The first question I asked them in the survey was, "If an animal is stunned, would you accept the meat as halal?" The majority of them said, no, they would not accept the meat as halal. We changed the question and asked, "What if an animal is stunned and there is evidence that the animal is not dead at the point of slaughter?" When we asked that question, over 95% of them said, yes, if we can prove to them that stunning does not result in the death of animals, they would accept the meat as halal.

This is what both New Zealand and Australia have been able to do, very correctly, in a smart way that we have not been able to do over the years. They have a recovery trial system. Muslims are given the opportunities to come into abattoirs to observe an animal being stunned and allowed to recover. That gives confidence to consumers in the Muslim community that this method of stunning does not kill.

We implemented a similar one in the UK last year called the demonstration of life. I am not sure whether you have heard about it. The demonstration of life involves stunning an animal and allowing it to show signs of life. That is not signs of recovery but signs of life; these are two different things. The New Zealand system will allow an animal to get back to its feet after stunning. Our system allows an animal to show signs that it is not dead. The animal must be able to exhibit two rhythmic breaths after stunning. After implementing this, we have seen that confidence in electrical stunning has increased.

Q127 **Anthony Mangnall:** Is that in a meaningful way?

Dr Fuseini: Yes.

Q128 **Anthony Mangnall:** It is not piecemeal. You are trying to show people, but that is quite hard. How many people want to see—sausages would be a bad example—how it is made or what happens?

Chair: Never see how a sausage is made.

Q129 **Anthony Mangnall:** Not many people want to see an abattoir, regardless of what they eat. They just do not want to see it. Is it a piecemeal approach to say, "We are going to give people a demonstration of life"? I do not want to know whether it has been stunned; I just do not want to see it.

Dr Fuseini: If you look at the general UK population, not a lot of people want to even discuss slaughter. Because the requirement for the animal to be alive at the point of slaughter is important during halal slaughter, many Muslim consumers would be willing to go and see an animal being stunned and allowed to show signs that it is not dead because they want to satisfy their religious requirements.

However, this assurance system has been limited to halal certification bodies and Islamic scholars. These are stakeholders and opinion leaders who can come in to see the animal recovering or showing signs of life, and then go back to the community and spread the word that there is this system in the UK, so when you are consuming your product you know it is not dead at the point of slaughter.

Q130 **Anthony Mangnall:** The example we keep coming back to is New Zealand, which is practising this at the moment. How successful are they? Again, let us look at their exports. If we were to compare their export market to the Gulf, has it gone up or down because they are now doing those practices? Are they winning hearts and minds? This is the question we have to ask ourselves. If we are going to go down this route, let us look at the one place that is putting it into practice. Is it working?

Dr Fuseini: Australia and New Zealand make up the highest proportion of exports to the Middle East. The reason for this is that they have been able to convince the authorities there that they have an assurance system. Historically, we have not been able to do that, but they have been.

I go to Dubai once a year to attend an event called Gulfood. I will be in Saudi next month to interact with buyers to see what barriers prevent them from buying from us. Any time you speak to them, they will tell you that New Zealand has an assurance system and Government involvement in halal slaughter. There is some level of assurance there. The Government are involved; the Ministry for Primary Industries is involved. There is an assurance system.

This is allaying any fears within the Muslim community in the Gulf that the method of slaughter in New Zealand and Australia is not consistent. However, we have not been able to do that in the UK.

Q131 **Anthony Mangnall:** Tell us a little more about the assurance terms. What do you know about the Department for International Trade looking at those terms and trying to do that in our negotiations with the GCC?

Dr Fuseini: I am not sure what level of assurance system is involved in the negotiations, but, if you have any specific questions that you want me to find out later, I can come back to you.

Q132 **Anthony Mangnall:** Yes, that would be really helpful. We have talked a little bit about training. How realistic are we being here? The point is that we are selling goods to another country. As awful as the situation is, as has been explained already, how likely are any of the countries in the Gulf to say, "Thanks, UK, you have high standards; we will take your training"? Is this an opportunity for us or are we being a bit delusional?

Dr Fuseini: There is an opportunity, but we need to ask ourselves one simple question. Are we sending animals to the Gulf or are we sending meat? Australia and New Zealand historically have sent livestock to the Middle East. I know they are involved to some level with training and engagement with abattoirs. However, I do not have any evidence to suggest the UK has sent even a single animal to the Middle East. I do not know whether Peter has any evidence, but I do not.

We have to look at the future. What are our plans for the market? Is it meat or is it livestock? If it is livestock, we can get involved in training. Even if it is not livestock, there are organisations, like Compassion in World Farming, whose job that is. They can still engage with them on the training.

Q133 **Anthony Mangnall:** Just to clarify, how much livestock do we export to the Middle East today?

Dr Fuseini: I have no evidence to suggest that any livestock goes there, unless Peter has.

Q134 **Anthony Mangnall:** How quickly are Australia and New Zealand's livestock exports to the Gulf decreasing? Are they decreasing?

Dr Fuseini: They are decreasing. There is a lot of public opinion against that. I believe that it is going to continue to go down, but it is important to remember that the Middle East will always require livestock because of festivals. There is a festival called Eid al-Adha. During Eid al-Adha, every capable Muslim is encouraged to sacrifice an animal. What we need to recognise is that the Middle East does not have a lot of animals.

In Saudi Arabia, for example, during the festival there are 2 million religious tourists in the country. Each of these tourists will require one animal to be sacrificed on their behalf. Even if the UK is not sending animals there or if Australia reduces its livestock requirement to Saudi Arabia, there will always be a requirement, so they will look for other markets to get those animals.

Q135 **Anthony Mangnall:** Which countries are now filling that void, as Australia and New Zealand are either declining or looking at sending meat? Which countries will do livestock?

Dr Fuseini: Somalia and Somaliland are two major exporters. There are other countries in sub-Saharan Africa that are supplying to that market. The likes of India and Pakistan are neighbours that supply to the market as well.

Anthony Mangnall: I have one last one. I am sorry. This is so fascinating and so important. Are you confident that the UK can actually fill the market demand for halal meat in a way that meets the standards and possibly creates opportunities around training? Are you optimistic about that?

Dr Fuseini: Absolutely, yes. We just need to assure them that what we are producing is consistent with their beliefs. The only way we can do that is to have that assurance system and encourage abattoirs to increase the uptake of the assurance system, demonstration of life, as I mentioned. If that is done and we have the right halal export certificates, they will continue to buy from us.

One thing to remember is that we cannot compete with Australia and New Zealand on price in the commodities market. Most of our products go to the premium market.

Peter Stevenson: If I could just come in quickly, our positions are, to some important degree, different. I am saying there should not be any live animal exports, even if they improve their welfare standards, because that is going to take a very long time. Nonetheless, even though they are not engaged in the live trade, we should be helping improve standards. We are developing a relationship through this trade agreement.

On New Zealand and halal, I just want to sum up by saying that the principle of it is good, but—particularly on poultry, although there are also worries about cattle—some of the actual stunning the New Zealanders do is not good enough. The principle is fine, but we ought to think carefully about this. We have to find the right balance between good animal welfare, a genuine stun that renders an animal unconscious and, of course, meeting Muslim requirements.

Q136 **Mike Wood:** I will be very, very quick as we have only a couple of minutes left. Just to clarify, is Compassion in World Farming's position that there should not be any live exports at all or there should not be live exports for slaughter?

Peter Stevenson: I am not talking about the Middle East but more broadly. We believe there should be no live exports for slaughter or fattening. An awful lot of animals are exported. Until recently, we exported a lot of young calves from the UK to the continent. They were not going for slaughter; they were going for fattening for probably four or five months before then being slaughtered.

We accept, with qualms, the export of high-value breeding animals. They are likely to be transported in much better conditions because of their high value. I say "with qualms" because some of these breeding animals are not particularly high value and are transported in the same pretty awful conditions as slaughter animals. We have talked about the slaughter in the Middle East, but the sea journeys to the Middle East from Europe and Australia are well documented to be horrific. I know we do not have time to go into that now.

By the way, you asked which countries had stepped into the breach. To its great shame, one of them is the European Union, which exports about 3 million cattle and sheep a year to the Middle East.

Q137 **Mike Wood:** Dr Fuseini, very early on in answer to one of Anthony's questions, you referred to the demonstration of life protocol. In light of that, how well placed is the UK to export halal meat to the six countries of the Gulf Co-operation Council, if a trade agreement allowed?

Dr Fuseini: At present, we already export a huge amount of meat to the UAE, Kuwait, Qatar and Saudi Arabia. To the best of my knowledge, all the meat we export to Saudi at present is from animals that have been stunned. We can continue to increase confidence in our systems by communicating to the buyers that we have an assurance system.

As I said, the Muslim consumer will go the extra mile to ensure or verify the meat they are consuming is slaughtered in line with the requirements of halal. The demonstration of life system is likely to increase confidence in our products. If that happens, we may see an uptick in the volume of meat that is exported to the region.

Q138 **Mike Wood:** What lessons can we learn from the New Zealand assurance systems? How easily could we emulate and ideally improve upon them?

Dr Fuseini: The first thing is training. They have what they call the New Zealand Halal Academy. The halal academy is an industry-led body that offers training to slaughter operatives and slaughterhouses.

The other bit is, as I said, that there is proper involvement from the Ministry for Primary Industries. That is a salient point. Somebody from New Zealand could go to the UAE and say, "We have this assurance system. Our Government are supervising and overseeing our halal production systems". I cannot say that. All I can say is, "We have just introduced demonstration of life. When products are coming in, certificates will be issued by a halal certification body".

We also need to remember that these halal certifiers are not regulated. Anybody can become a halal certifier. All you need is a computer and a printer to be a halal certifier. In New Zealand, that is not the case. You have to go through the Ministry for Primary Industries to get your accreditation or recognition to become a certifier. That is just telling us that they have a better and more robust system of assuring their halal products than we do. It is about time for us to considering regulating halal certifiers in the UK.

Q139 **Chair:** Just before we end this, I have two questions that were hanging in my mind. Peter Stevenson, you mentioned live animal exports. Would you and your body be comfortable with the export of livestock from, say, Northumbria to Kent?

Peter Stevenson: Yes. Within the UK, we do argue that there should be a maximum journey limit of eight hours. If you can get from Northumbria to Kent, yes.

Q140 **Chair:** What about Kent to Normandy, which might be shorter?

Peter Stevenson: Yes, that question comes up often. The problem with sending them outside the UK is that we have no control over how the animals are transported once they get outside the UK or the way they are slaughtered. There have been a number of reports showing illegal slaughter practice, in the sense of not conforming to slaughter law in France and other EU countries.

Moving on to live exports from the UK to the continent, no, I am very pleased that there is a Bill now going through Parliament that, if it completes its journey, would ban live exports for slaughter and fattening. There has been large public support in the UK for an end to this trade.

Yes, it might go to Normandy, but very often the animals will be re-exported from there. In the heyday of UK live exports to the continent in the 1990s—

Q141 **Chair:** If they are being exported out of Normandy via a shorter than eight-hour journey, you would be fine with it. You are okay with Northumbria to Kent. The Northumbrians might say that the people of Kent do X, Y and Z, and you are now casting aspersions on the people of Normandy for doing X, Y and Z. If they were within a system of controls—it seems to be a control issue—what would be wrong about moving them on from Normandy to Brittany or Belgium?

Peter Stevenson: At that point, you are having more than one journey. You have extra loading and unloading.

Chair: What about if it was a month later?

Peter Stevenson: We really should bring the live export trade to an end, and should make sure that journeys within the UK are as short as possible. For many years, the principle accepted by many people, including many veterinarians, was that animals should be slaughtered as near as possible to the farm where they have been reared. To start sending them to the continent, where there is a danger they will be moved on and we have no control over the transport and slaughter, is unacceptable. We should let go of the live export trade.

Q142 **Chair:** Dr Fuseini, you have talked us through the stunning and the slaughtering. Normally, in the UK, from my understanding, a bolt is fired into the head. You were talking about electrical stunning. Is electrical stunning done normally in the UK or has it been brought in to satisfy the requirements around halal?

Dr Fuseini: If you look at electrical stunning that is used in the UK, for sheep for instance, there is a legal requirement for the minimum current to be 1 amp. That is the same amount of current, the same method of slaughter, that is used for conventional and halal slaughter. There is absolutely no difference.

Another thing I really wanted to bring to the attention of the Committee was the fact that the GCC countries operate in line with a standard called GSO 993. GSO 993 allows for electrical stunning of small ruminants and large ruminants. It allows for the non-penetrative captive-bolt stunning of large ruminants. It does not allow for any method of stunning for poultry.

Let us go back to your question. As I said, for small ruminants there is the same method of slaughter whether it is halal or conventional slaughter. Poultry is a little tricky. In poultry, we have what is called water bath stunning. Water bath stunning has its welfare issues, as I am sure Peter will agree, but it is still used for both conventional and halal slaughter. It is important to note that the proportion of water bath stunning for conventional slaughter has been on the decline since 2011. Many conventional abattoirs are switching to what we call controlled atmosphere stunning or gas stunning.

For water bath stunning, there is no difference whether it is halal or not. There is no difference in terms of the electric stunning of small ruminants whether it is halal or not. There is no difference in captive bolt stunning of halal and non-halal. However, many Muslims do not agree with the captive-bolt stunning of large ruminants. The reason for this—I am going to be graphic—is that, when you shoot the animal in the head, the bolt penetrates into the brain and destroys the brain, thereby preventing the animal from recovering. If the animal cannot recover, it means the slaughter method is not consistent with halal requirements.

Q143 **Chair:** Has the argument been made that, if we go the halal way, within seconds—I can see the way you are looking at me—

Dr Fuseini: Some people would argue that, when you stun and slaughter immediately, it is better. There is at least one halal certifier in the UK that accepts penetrative captive bolt stunning, but the majority of Muslims would not consume beef slaughtered with that method. As a nation, as food processers, we need to produce products that are acceptable to all, not acceptable to a minority.

Q144 **Paul Girvan:** I appreciate that you are trying to tease out a point about the transport of live animals, Peter. Northern Ireland is probably in a different position to many parts of the United Kingdom. Live beasts can be transported from Northern Ireland into the Republic of Ireland and can then go on a boat to Cherbourg, straight into France. That is happening. I am wondering how we can close that loophole and ensure that the protocol is not driving a coach and horses through it.

It is a safety issue for our food. We make it an issue that we want to have the best animal welfare and protect it to the greatest degree.

Chair: Can they not go from Northern Ireland to Scotland, to England, to France?

Paul Girvan: Not live, no.

Peter Stevenson: You are quite right: we have nothing against short cross-border journeys between Northern Ireland and the Republic. That is an inherent part of the Irish economy.

Yes, as you say, animals, particularly very young calves just a few weeks old, are going all the way across the Republic and then on an 18-hour ferry journey to Cherbourg. There is evidence that, once they get to what is called the control post, where they are meant to be given rest and nutrition, they are treated brutally. They then go on down to Spain. It is an awful trade. I agree. Even as a lawyer, it is really hard to know how to close that loophole. If I have any further thoughts on that, I will write to you.

Can I just make one point about what was said? As I say, there is this big difference. Most sheep in the UK are stunned electrically. They use a head-only electric stun. It is the same for halal and non-halal. With cattle it is different because most are stunned with the penetrating captive bolt, which is effective if you have the right cartridge strength and the right head position. The non-penetrating captive bolt is so poor and ineffective that its use is banned other than for animals under 10 kilograms in weight.

I am nervous about the idea of using head-only electric stunning with cattle. There would have to be real consideration of that. The European Food Safety Authority said that, if you use head-only electric stunning on cattle, the likelihood is that the stun will be so short-lived—that, of course, is what halal wants—that the animal will regain consciousness while it is still bleeding to death.

Dr Fuseini: To add a bit to what Peter has said, it is important for us to recognise the fact that the method of stunning for beef that is used in New Zealand—it is called the Jarvis beef stunner, which is head-only electrical stunning—is illegal in the UK at present. However, meat produced using the same method in New Zealand is allowed to be imported into the UK, although we cannot use it.

That puts us at a disadvantage. Our processers cannot use it to produce meat because it is post-stun electro-immobilisation, which is not legal here. However, the New Zealanders are using it to produce beef that is imported into the UK, although the method of slaughter is not consistent with our law. It is also facilitating export to the Gulf countries, which we cannot do.

Chair: We are running over time, but I am very indulgent this morning. I am assured that this will be one short question. I take this on trust.

Q145 **Anthony Mangnall:** It will be. The Animal Welfare (Kept Animals) Bill is designed to stop the transport of live animals. This is probably a yes or no question. Are you confident of it going through the Houses of Parliament and being passed into law?

Peter Stevenson: Sorry, it is not a yes/no. From our point of view, it is a huge priority to get that ban on live exports for slaughter and fattening into law.

Chair: Thank you both very much. I would love to keep the conversation going, but we are 12 minutes over what we planned. We nearly ended in time, but our interest took us further. Mike Wood was doing really well, but the Chairman and others kept us going.

Anthony Mangnall: I am sorry.

Chair: The three of us are to blame. Gentlemen, thank you both very much for your time this morning.

Examination of witnesses

Witnesses: Dominic Goudie, Sarah Baker, Nick von Westenholz and Houaida Alawieh.

Q146 **Chair:** Welcome to our second panel this morning in the International Trade Committee's evidence session on UK trade negotiations and the agreement with the Gulf Co-operation Council. The second panel is a panel of four. We have Dominic Goudie, Sarah Baker, Nick von Westenholz and Houaida Alawieh. I hope I got that correct. As a result, I am going to ask you to introduce yourselves on your own terms—name, rank and serial number and the correct pronunciations.

Houaida Alawieh: I am Houaida Alawieh. I am a senior regulatory affairs adviser at Campden BRI. My frame of work is mainly regulatory consultancy for the Middle East and North Africa region, with a focused expertise on the GCC.

Nick von Westenholz: I am Nick von Westenholz, director of trade and business strategy at the NFU.

Sarah Baker: I am Sarah Baker, head of trade and policy, an economic strategist looking at trade deals within AHDB.

Dominic Goudie: Hi there. I am Dominic Goudie, head of international trade for the Food and Drink Federation, representing just over 1,000 manufacturers of food and drink across the UK.

Q147 **Chair:** We would appreciate brief answers, given our time and what we are doing. How well equipped are UK agrifood exporters to take advantage of the new opportunities opening up in Gulf states? What more could the Government do to help them? Who wants to take that one first? We need brief 20-second answers. Nick, you moved a limb.

Nick von Westenholz: That is the key question. It is probably not answerable in 20 seconds. The big task here is what Government and industry, working together, can do with the market access that might be achieved through this FTA. It is one thing to reduce tariffs and, in this instance, more importantly, to reduce some of the non-tariff barriers into the Gulf markets. After that come a whole host of other things that need to be done.

We need to make sure we have the capacity here in the UK to take advantage of that. We need boots on the ground in those markets overseas to deal with regulatory challenges and to do promotional activities. We need to improve familiarity with British produce. We need to make investments here in the UK, for example in extending shelf life and addressing those sorts of challenges, which will help us compete with other exporters that are already in those markets, for example from Australia and New Zealand.

There is a lot that will need to be done to take advantage of it, although I should say that we are very supportive of the FTA because we think it will set the ground for some big export opportunities.

Sarah Baker: You have got straight to the nub of the issue with your first question. Although the FTA is a very important step in developing trade between the UK and the GCC, it is by no means turning on a tap. It does not mean that trade will automatically flow as soon as the FTA is signed.

As an economist, I know that trade takes place based on supply and demand. There is a very strong and established demand for UK produce in these countries. However, in order to develop and maximise the opportunity that is presented within this FTA, we will require activities such as the AHDB does: hosting inward missions, developing those supply chains, supporting UK exporters and giving them confidence to invest and develop those markets overseas.

Houaida Alawieh: From a regulatory point of view, an FTA would be beneficial for UK businesses in helping them have a simplified approach when understanding the requirements of exporting to the GCC; a better understanding of the timeframes when new rules have been implemented or when they have been put in place; and maybe some clarity when it comes to the requirements for exports.

When it comes to getting clarity from the authorities, you will sometimes end up with conflicting information and not clear answers. An FTA could help UK businesses have a unified front when it comes to regulations and requirements as opposed to having to deal with each country on its own. This is what I would say from a regulatory point of view.

Dominic Goudie: I would say we are very well placed to take advantage of it. It is a market that we are selling over £600 million of products into already. There are a lot of companies that are ready to do more if we can get the outcomes they want to see through a free trade agreement. There is lot of technical detail on regulations, rules of origin and tariffs that we need to get right, but there are really positive signs in terms of the support that is being put in place to help businesses.

We see really good work being done by Defra’s agrifood counsellor in the region already, but we need to get industry and Governments across the UK actually working together much more effectively on promoting exports and getting better value for our money overseas. We did a piece about five years ago with Grant Thornton looking at growth opportunities for the food and drink industry, and the Gulf region came up in the top three markets that businesses saw as a really great opportunity, but it is just difficult to do business there at present.

Q148 **Mick Whitley:** My question is to Nick and Dominic. What tariffs are currently applied to UK agrifood exports to the Gulf states and how much could UK exporters benefit from the reduction or removal of those tariffs?

Nick von Westenholz: On agricultural commodities, most of the tariffs are pretty low on agrifood. They are not large tariffs. There are tariffs on some products that would be good to get removed. For example, on frozen sheep meat and on frozen beef there is a tariff of 5%; on many dairy products there is a tariff of around 5% as well. Those are small tariffs, but nevertheless if you get rid of those that is going to reduce the cost for exporters as well. Those are the sort of commodities and agricultural products that we would see there being significant opportunity for—sheep meat and dairy in particular, potentially beef as well. We would very much expect that this FTA would get rid of those, but as I said at the very beginning it is probably more the non-tariff barriers that are barriers to trade rather than tariffs with the Gulf, in most instances.

Dominic Goudie: It is a similar picture for manufactured food and drink. Tariffs typically average somewhere between 5% and 15% across the region, but in a low-margin industry that has quite a significant impact on the competitiveness of British products in those markets. The biggest challenge when it comes to tariffs is that there is an uneven picture between the GCC member states.

Typically Saudi Arabia has higher tariffs than the other markets. Talking to some of our breakfast cereal manufacturers, we see there is a really good opportunity to sell a lot more British cereals over in Saudi Arabia, but the tariffs there are quite prohibitive at the moment. Clearly there is a really good opportunity to sell more there. The members of the Gulf Co-operation Council recognise the fact that they import 85% of the food that is consumed in the area, so a free trade agreement that liberalises tariffs should be achievable.

Q149 **Mike Wood:** When people think of supply chains, they often picture things like automotives and complex manufacturing, but clearly food production often has complex supply chains of its own. If we are going to take full advantage of any tariff cuts through an FTA with the Gulf Co-operation Council, what kind of provisions on rules of origin would need to apply to support our producers?

Dominic Goudie: I will happily take this one. I am a bit of a rules of origin nerd and we have been working on this for the last four or five weeks. This is an area that really matters to us. It is one thing to cut tariffs, as you say, but if you do not have the right rules of origin in place it is nigh on impossible for businesses to take advantage. In our sector, businesses use an awful lot of UK agricultural production and they complement it with imported raw materials to add value to their products.

What we can see from the model that the UK Government have pursued with Australia and New Zealand is that the model works really well for our sector. We urge in our position and in the submissions we have given to Government for a similar model to be pursued, so simple and straightforward product-specific rules that are easy for businesses to navigate, which recognise the value that is added by manufacturing, and the inclusion of generous tolerance provisions. The New Zealand agreement is probably the model we would look for in that.

There are a couple of opportunities to go a bit further in this deal if possible. We would like to see something like accumulation provisions be included with the EFTA region, for example. There is an opportunity to do something good there. Another thing we have pushed for very heavily for a number of years now is that any FTAs the UK does should not disadvantage the countries that take advantage of the UK's unilateral trade preferences. We would like to see the inclusion of an exemption for LDC content used in UK export and for GCC exports here to make sure that those countries are not disadvantaged by UK FTAs.

Nick von Westenholz: This is one of the few areas where Dominic and I would slightly disagree, maybe not surprisingly, around rules of origin. He is absolutely right that having flexible rules of origin can be an advantage for domestic producers as well if you have the source material in a manufactured good from both domestic and overseas producers. There is potentially an advantage, but we would urge DIT and the negotiators to be quite careful and to assess properly the potential impact of the rules of origin arrangements in the FTA.

I will give you an example. Quite an obvious one would be around sugar. That is used heavily and extensively in manufactured goods, and it may be imported cane or domestically produced beet. How rules of origin are dealt with can have an impact on domestic producers. It will not surprise you to know we would prefer there to be some controls around rules of origin that encourage use of domestically produced sugar, but that is an example of where rules of origin can have an impact on domestic producers potentially. The important thing here would be that DIT is able to make an assessment of what that impact might be for domestic producers and how different approaches to rules of origin might have an impact.

Q150 **Mike Wood:** In terms of making sure we do not disadvantage, as you say, bilateral partners such as LDCs, would you suggest that content originating from LDCs ought to count as if it was British products or simply be excluded from the calculation when working out rules of origin?

Dominic Goudie: That is a good question. There is probably the same outcome in both cases. As long as those goods are able to benefit from the UK's ambitious trade policy, that is what we would like to see. We talk, in our position, about their exclusion completely from the calculations, but whatever is administratively most straightforward for border agencies and businesses would be the best outcome.

Chair: I seem to remember the NFU and Tate & Lyle having an exchange of views on a previous panel at one time, but I do not want to go down that rather sweet avenue at all.

Q151 **Anthony Mangnall:** Government want to simplify the customs procedure for goods entering into the GCC. Can you give us a little bit of an idea about the benefits that is going to bring to the UK and our products?

Dominic Goudie: Trade facilitation is really critical and an often overlooked bit in trade agreements. It offers huge benefits for our sector. We have a lot of products that are subject to short shelf lives, so speeding up the process of clearing borders is critical. To take an example, one thing our members struggle with in some of the Gulf countries is that the documentation can take weeks to get approved and signed off. Members of ours are all too pained by the experience of having goods sat dockside for weeks at a time incurring high demurrage costs that steadily eat into the margins of selling the products. The more we can simplify that, the better.

A good example would be something around country of origin certification, where at the moment businesses need to have Arab certificates of origin. They cost more than using EUR1s. They take longer to obtain. EFTA managed to agree a deal that allowed them to use EUR1 certificates and drastically simplified the whole process of moving goods internationally for their businesses. That is something that would really help.

Q152 **Anthony Mangnall:** Domestically here we have a few pieces of legislation coming through that might make a significant difference. Specifically on the Electronic Trade Documents Bill, are you expecting that to have a big impact for places like the GCC or the Gulf for the express purpose that it can remove some of the non-tariff barriers we are facing?

Dominic Goudie: We have not performed any assessment of the precise impact, but undoubtedly it will help. The experience during Covid of paper documentation being held up and stopping goods being released was really painful. Moving to electronic solutions will cut the cost. The more we can move to those electronic solutions through both that Bill and the creation of a single trade window, getting our single trade window to work with those of partner countries overseas, the easier it will be for businesses and the more pain it will relieve from them having to send the same information multiple times, again and again and again, to different agencies.

Q153 **Anthony Mangnall:** Just because I do not want to disappoint the Chair, the last bit is about how we are going to compete against those countries that have a bigger market penetration in the GCC. Specifically when it comes to how we might improve some of the customs procedures in the GCC, are they going to listen to us or to the EU, Australia or New Zealand, which are already perhaps more established than we are?

Dominic Goudie: We compete on quality. We have fantastic products right across our industry. I see, talking to producers overseas, that they look to the UK for new product development. Particularly in manufactured goods we have incredible innovation in our sector. We create new products that consumers want, and we compete on quality in every market overseas.

In terms of ensuring the compatibility of our systems and cutting the costs of moving goods, we want the same outcomes that the EU and New Zealand want. On that basis we can make it work. I do not think it is insurmountable.

Chair: I note you have a pen in your hand, probably to take notes from Mr Vickers.

Anthony Mangnall: I am eager to learn.

Q154 **Martin Vickers:** Houaida, are there particular regulations and processes that exporters struggle with when exporting to the GCC market, and could this perhaps be addressed in the technical barriers to trade chapter of an agreement?

Houaida Alawieh: Yes, there are a lot of regulations that businesses here struggle with. It starts with the labelling requirements and goes through to the nutritional information requirements, where they reference the retained EU legislation, but they have the format of the US nutritional information tables, so that is something that businesses here have to deal with. The accessibility to the regulations is another thing that could be perceived as minor, but, while UK legislation is out there for the public to access, it is not the same when you are reaching out to the GCC, either the GSO or the individual Saudi FTA and the UAE legislation. You cannot just access it; you have to actually purchase it. If you have an old regulation, you need to purchase the new one once the new ones go ahead. Product-specific requirements are also other regulations that UK businesses could struggle with.

The best way to look at this is to have one resource for UK businesses. GSO exists, but you still have to look at each national requirement with the GCC. Even if there is an entity that is trying to unify the requirements for the GCC and make it a regional requirement, we still have to look at the national requirements for each country. If an agreement led to sticking to the GSO requirements and not digging into each country on its own, since these regulations or standards already reference international requirements, it should be the case that, having high standards here in the UK, just accepting the fact that the product is conforming with the UK standards should mean that it is compliant in the GCC.

Q155 **Martin Vickers:** Any FTA with the GCC would have to address this; otherwise it is pretty worthless. Would that be too extreme a comment? If we were to conclude an FTA with the GCC, it would have to overcome the various barriers that you have outlined; otherwise how valuable would it be?

Houaida Alawieh: It is important to address these challenges and to come to a solution, because they are challenges that businesses have to face every time they send their products to the GCC. An option for UK businesses must be addressed and must be given in order to make it easier for them to export to the GCC. There is also the language requirement; there is the halal requirement. If all of these could be unified with one single resource, it would be very helpful for the UK businesses when exporting to the GCC.

Q156 **Mark Garnier:** Nick, is there anything coming from the Gulf to the UK that your members are worried about in terms of competition with what they are doing?

Nick von Westenholz: We do not think so; that is the short answer. We have not identified anything major. The whole region on average imports about 90% of the food it consumes. It is a major food importer. It does produce some horticultural products, but generally we do not think there is any particular risk.

Q157 **Mark Garnier:** That was not my substantive question. I want to ask something more technical to test you, on SPS—sanitary and phytosanitary standards. What standards should we be trying to negotiate in a free trade deal with the Gulf in order to get access for our products?

Nick von Westenholz: Our position is always that SPS, in terms of the actual standards themselves, should remain separate from the FTA. That, generally, would be the case for most FTAs in any case. They would set out the principles of SPS and possibly how disputes might be resolved, but actually, as we have done with both New Zealand and Australia, we reserve the right to manage and establish our own SPS system. Obviously that is mutual. The counterparty also would have an independent system outside the FTA, but what the FTA ought to do, as our existing FTAs do, is create the architecture for discussions and forums to co-operate closely on SPS.

Indeed, we would like to pursue equivalence-like arrangements. New Zealand, for example, has a memorandum of co-operation with Saudi Arabia, which allows them to recognise New Zealand food standards as being broadly equivalent to Saudi standards. That is the sort of approach we would want as well, because, similarly to the technical barriers to trade we just heard about. SPS barriers are equally problematic. Experience shows that they can be changed at short notice. Getting information of those changes is often very difficult and pursuing disputes around those is often a little futile. Actually trying to come to bilateral understandings around SPS will be an important part of making this FTA work.

Q158 **Mark Garnier:** I have a couple of points to pick up on that. You mentioned that bilateral between Saudi and New Zealand. Do you think we should be looking at specific SPS things across the different Gulf nations?

Nick von Westenholz: Each of the members of the GCC has its own SPS requirements as well, on top of those that might have been agreed through the GSO. Quite often it will make sense to do it bilaterally. Having said that, clearly if you can do it at the GCC level that would be even better.

Q159 **Mark Garnier:** You would prefer it to be at a regional level.

Nick von Westenholz: Ideally, yes. That clearly creates economies of scale rather than having to deal with different SPS requirements for different countries. The reality is that those will exist.

Q160 **Mark Garnier:** You mentioned that you can have very short notice in terms of changing SPS requirements. Would you expect our negotiators to put within a deal a requirement not to have protectionist SPS changes, if they suddenly decide they wanted to do it, and to have dispute resolution mechanisms within the FTA, as opposed to subsequently, in the SPS deal itself?

Nick von Westenholz: You would expect in the SPS chapter for there to be a point of principle around transparency and communication, etc, which would mean that you did not get sudden, unexpected changes. That would be, one would hope, central to the SPS chapter. In terms of dispute resolution, that is slightly different and there is a question tactically sometimes as to whether you are better off bringing disputes in these matters at WTO level anyway. Generally the dispute resolution mechanisms are no stronger or more robust than those that exist at WTO. I do not think having the dispute resolution mechanisms in the SPS chapter itself is crucial, but it could give you a second bite of the cherry.

Q161 **Anthony Mangnall:** Following on from Mark's point, how important is SPS when they are not exporting a great deal to us in terms of agri-produce? How relevant are the SPS standards?

Nick von Westenholz: It is their SPS standards, primarily, that we are talking about there—that they are not imposing unjustified, non-evidence based or just overly burdensome SPS requirements that prevent trade.

Q162 **Anthony Mangnall:** With the previous panel, we just had a long conversation about livestock transportation and the halal meat market. Could you give us an idea of what you want to see in a trade agreement that would allow us to increase halal meat exports to Gulf states?

Nick von Westenholz: I am not sure how it would actually look in the terms of the trade agreement or how that would be included there. Generally as a principle, if we are going to export more to the Gulf, we have to meet their halal requirements. There has been a lot of excellent work in the UK over recent years in creating the protocols that allow us to have a halal certification scheme that meets welfare expectations as well. For us, that is the crucial thing we need to do. We probably need to invest in R&D on the methods of stunning, etc, to make sure we have certification that meets animal welfare expectations but also the requirements of the halal importers.

Q163 **Anthony Mangnall:** The NFU has been fantastically positive about the opportunities for your members from the UK doing a free trade agreement with the GCC. Presumably that is on meat exports, not on livestock exports.

Nick von Westenholz: Do you mean live? No, it would be meat.

Q164 **Anthony Mangnall:** Can I just push again on the ability for us to scale up? Right now we are having a great number of conversations in the UK about food security. I represent a huge number of very small farms, between 50 and 150 acres. They are saying right now that they cannot even match the demand they have in the UK. How much opportunity can we actually get from this if our own farmers are not able to scale up at the moment, especially with the costs where they are? Are we dangling something in front of people and saying, "Here is a great market", and they are saying, "We are not even fulfilling our own domestic market, so what is the point in looking at this"?

Nick von Westenholz: It is a very good question and a very good point. I do not think that prevents one from opening up the market. As Sarah pointed out at the beginning, this is about supply and demand. If we grow the demand over a period of time we might see supply rising to match that. That is what we would hope. I do not think by creating the space through an FTA you create some problem. If it turns out we have challenges closer to home in terms of supply, we will need to deal with those and manage those. It does not mean in the future we cannot meet that extra demand from overseas.

I should say as well, one of the things we think is important about creating new markets overseas, whether it is the Gulf or anywhere else, is actually just to inject a little tension into the domestic market as well and increase those potential outlets for British produce, for the benefit of UK farmers.

Q165 **Anthony Mangnall:** I accept all of that, but what about the infrastructure problems? This allows me to jump on my pet hobby, which is that we need more local abattoirs in this country and we need to look at transportation around this. Are we even prepared to be able to scale this up to deal with these issues?

Nick von Westenholz: We have argued strongly for a number of years that one of the problems we have seen in UK trade policy is that it has not matched the domestic policy that is needed with the vision for liberalising trade policy. Actually, there is a big job to be done, whether it is abattoirs or R&D. I mentioned earlier, for example, shelf life, where New Zealand has put a huge amount of funding into extending the shelf life of its red meat to be able to export all over the world in recent years, which gives it twice as much shelf life, or more in some cases, as UK meat. You could see that investment there would be really important, but a lot of these things require partnership between Government and industry. That bit is really crucial if we are going to be able to take advantage. We are not sure about that bit. Growth is obviously the buzzword at the moment. That is about growth and growing the domestic sector, with the right policies around things like R&D and infrastructure investment, so we can take advantage of those export opportunities.

Q166 **Anthony Mangnall:** Houaida, again we have just been hearing Australia and New Zealand have got good market penetration into the GCC, but what can we learn from their halal notice schemes? What do we need to be looking at from their agreements with the Gulf when we are coming to an arrangement with the GCC?

Houaida Alawieh: Halal is a tricky requirement to look at just because it is a religious requirement. I would agree with Nick that the best way to look at it is to have R&D in terms of halal requirements and certification in the UK, so we do not need a GCC-approved certified body in order to send the meat products or halal products to the GCC. The best way to look at it is to have our own definite certified bodies that do not need the approval of the GCC before exporting these products.

Q167 **Anthony Mangnall:** Just to be clear, it is best to get our domestic market in shape so we can say we are producing good halal meat, and they will then see that the organisations are set up and we are covered.

Houaida Alawieh: Yes, so they do not need to come here. For the time being, there is still a requirement where the certifying body is GCC-approved. It needs to double check that the certifying body is up to date with all the needs when it comes to the halal requirements. When this is done and completed, that will be very helpful when it comes to sending products to the GCC.

Q168 **Martin Vickers:** Sarah, what specific provisions would you like to see in an innovation chapter in the agreement to promote growth of UK food exports to the GCC area?

Sarah Baker: That is a really interesting question and it comes back down to the original question about how important the opportunity is versus what needs to be done in addition to the FTA in order to maximise this opportunity. As a levy board, you know we cannot comment directly on Government policy.

Chair: Oh, go on.

Sarah Baker: Twist my arm, as it is the one question you have asked me. As AHDB, it is really important to expand our work in the export area and make sure this facilitation and gearing up to encourage innovation happens, because the innovation will not happen unless exporters are confident of the opportunity. They are not going to put the level of investment behind that innovation unless they are confident they can get their product through relatively seamlessly.

We have touched on trade friction, SPS, TBT and rules of origin. In our analysis, they add between 5% and 8% for livestock products. That is on average. We have spoken about perishable goods. The sectors I represent are mainly beef, lamb and dairy in this export opportunity. You can imagine it is not just demurrage fees you are paying. You are potentially losing the value of the entire load. There needs to be confidence that those systems are robust, consistent, consistently applied and transparent. We have touched on the fact that they are behind a paywall at the moment, so it is very difficult to know what standards you need to meet. The electronic health certificates will undoubtedly help.

Once that is in place, that gives the confidence to put behind the investment, which leads to the innovation. The areas of innovation would include, as Nick touched on, extending the shelf life. At the moment it is one of our closest markets apart from the EU, and we can ship there. We can ship fresh produce. We can also ship frozen produce. For the real high-value fresh produce, extending the shelf life and that sort of innovation is incredibly helpful, and in the infrastructure we have touched on before, in order that the industry is in a position to step up.

It really is a chicken and egg situation between Government and industry that will lead to this positive change. It is lovely to talk about positive change within a free trade agreement. Let us make no bones about it; this is a huge opportunity for UK agriculture. This is one of the most positive ones that have come up so far. However, I believe as an economist that that investment will happen once that certainty of the market exists.

Chair: It has just come up on the monitor that the second urgent question today will be on the UK-India FTA, just to raise awareness with members.

Q169 **Paul Girvan:** Sarah, what are the current issues that exporters face in terms of intellectual property rights when exporting to the GCC?

Sarah Baker: In terms of intellectual property, that is not so much my area of expertise. I can talk about the practical issues they are facing.

Q170 **Paul Girvan:** That might be helpful, but it comes in on the back of what was said earlier by Dominic relating to innovation and how we probably are leading in relation to innovation within the food industry, and not just that area but many other areas. How can we ensure that that intellectual property is not seen or stolen? What protections are there to ensure it and what difficulties does it also provide? Sometimes you are dealing with products that have not been tested on their market and require certification. I know about product labelling within the EU and how important it was to have lists of everything within a product. Certain things were dropped off simply because they were not acceptable within the EU, but, if you did not include it on your list, it was okay; you got that product in. Product labelling is vitally important. Where does that cross over?

Sarah Baker: I would defer to the FDF on product labelling.

Dominic Goudie: Intellectual property is an area we are looking increasingly at. Clearly it is a really critical part of any FTA that our industry has not taken as seriously as we should have in the past. It is a question of ensuring sufficient protections for IP, but also that there is the support and the knowhow within industry to enforce IP effectively. That is the gap. In many cases there are protections for IP, but businesses just do not enforce it because the cost of legal action is seen as prohibitive for a small business.

In terms of the trade deal, having a really ambitious chapter that includes all UK geographical indications that can legally be sold in the market should be the standard practice and the standard ambition of all trade agreements, unless for unknown reason a GI holder did not want their product to be protected.

Beyond that, in order that we can take advantage of the innovation I talked about at the beginning, one of the key parts is making sure that the trade deal includes provisions for an open, risk-based, permissive sample import regime to allow product samples to be moved between the markets for new product development purposes, and that those products are protected as they move across. One problem is that businesses face huge costs of export health certificates and other things to be able to move relatively small values of product into the market in order to actually build that market up.

The second point, which is probably relevant to a number of the preceding questions, is about the need for a regulatory early warning system as part of this agreement, so that businesses have forewarning of the changes that come in. That is vital for everything from labelling changes to changes to halal in the different markets, to ensure that businesses can stay up to date and have a compliant and legal product that is protected effectively.

Q171 **Anthony Mangnall:** When the Committee went to the Gulf to see whether we should be joining this, India ended up signing a small agreement with the Gulf. I wondered, to the previous point asked of you, whether you saw any interesting chapters within those agreements we should be trying to emulate or improve upon.

Sarah Baker: The two similarities for us are the consistent application of the rules and making sure that they are not country-based but regionally based, consistently applied and transparent. We do not always get notifications at WTO when those standards change. That should definitely be within the FTA, so we know very clearly in advance of a product being sent what standards they are supposed to achieve. That is consistent between the two agreements. It is all about the exporter having the confidence to send the product with a perishable load, with short shelf lives, and not falling foul of a change that has been made with lack of transparency.

Q172 **Chair:** What sort of reputation do British goods, or regional or national goods within the UK, have in the Gulf area? Is there a cachet that might come with some cheeses from the West Country or Welsh lamb?

Martin Vickers: What about Scottish haggis?

Chair: There are a number of Scottish things I could mention, but I would be here all afternoon.

Sarah Baker: If I can come in with that, as has previously been said UK produce will sell on its reputation, on the quality of the product. A lovely example of that landed in my in-tray yesterday. We hosted an inward mission in August, and the Emirates airline has just agreed to sell British lamb in its first class flights.

Chair: Would that be quality Scottish lamb or near-quality Welsh lamb? I should declare an interest as a crofter.

Sarah Baker: I am saying UK. Just for one month that order is worth £250,000. We were talking about the opportunities there and the ability of the industry to gear up. We do not have to sell massive volumes to this market, because it is such high quality and it is regarded as a premium product, in order to maximise financially. That was a lovely example.

It will absolutely sell. There is this massively growing middle class, which you are all familiar with. There are high disposable incomes. There is a massive tourist industry. There are all the things in place to create demand for high-end value goods. UK produce perfectly sits in that niche. Our consumer insight research says they will buy for that quality.

Chair: Lest I get any letters from Welsh farming interests, you are basically saying fly Emirates so you can get quality Welsh lamb.

Sarah Baker: You have to fly first class or business to take advantage of that high quality.

Anthony Mangnall: Would you let us know what it is like?

Sarah Baker: I will send some to the back of the plane.

Q173 **Chair:** That has taken me aback, Mr Mangnall—the very idea. Finally, as a general question, are there any views on intellectual property provisions you would like to see in an agreement with the Gulf states?

Nick von Westenholz: Just to support what Dominic said on geographical indications, it is important for all our FTAs to seek recognition of UK GIs.

Chair: You are giving me the opportunity to mention Stornoway black pudding.

Nick von Westenholz: We have all spoken quite a lot about the need for extra supporting activity around taking advantage of the FTA. It is not just the FTA itself. That opens the door. It is a plug for the NFU's export strategy we launched earlier in the year, which talks about lots of the activities that can help achieve that. There is actually an agricultural attaché already out in the Gulf, but more boots on the ground in markets like this will be crucial, as will the quick establishment of the export council we were promised last year, which hopefully will be imminent. We have talked about match funding from Government of bodies like the AHDB for the great work they do, to make sure they are properly resourced to do some of the stuff Sarah has already spoken about. There is a whole host of stuff that we really urge needs to be done, on top of just negotiating and signing the FTA, which is going to be crucial.

Dominic Goudie: Alongside the NFU, the AHDB and the rest of the industry, we have very strongly supported the work on the creation of the Food and Drink Export Council and the posting of new agrifood attachés. That work by Defra and DIT is extremely welcome.

The bit that remains a real gap for the UK as a whole when it comes to trade is around the absence of a dedicated trade information hub. Businesses routinely struggle to get the information they need in order to take advantage of trade deals. On a weekly basis, I am dealing with companies that are being passed from pillar to post between different agencies to try to find out the crucial information they need. If we had a dedicated trade hub that gave businesses the simple, straightforward information they need on everything from tariffs to rules of origin, regulatory standards, certification requirements, taxes, local requirements and things like that, it would make a huge difference. It would greatly increase the effectiveness of a lot of good work the Government are doing in getting the information in front of the people who need it. That is an area where investment is urgently needed.

Chair: Given the UK does not and cannot export anything anywhere now in the world without pieces of paper, it would seem an obvious thing to do to have a dedicated trade hub. You have made the call very well there.

I am minded now to bring this evidence session on the agreement with the Gulf Co-operation Council to a close. The six countries, just to remind people, are the United Arab Emirates, Bahrain, Saudi Arabia, Qatar, Oman and Yemen. Can I thank the panel this morning for your time, your expertise, and your patience in educating us on the Committee on your detailed areas of knowledge? Thank you all very much.