

Business and Trade Committee

Oral evidence: Valedictory session with the outgoing Chair of the Trade Remedies Authority, HC 1672

Tuesday 4 July 2023

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Members present: Alan Brown; Antony Higginbotham; Jane Hunt; Ian Lavery; Anthony Mangnall; Andy McDonald; Mark Pawsey.

In the absence of the Chair, Mark Pawsey took the Chair

Questions 1-44

Witness

[I](#): Simon Walker CBE, Chair, Trade Remedies Authority.

Examination of witness

Witness: Simon Walker.

Q1 Chair: Good morning, Mr Walker, and welcome to the relatively newly formed Business and Trade Committee. I know you have given evidence to our predecessor Committee. We understand that you are standing down from your role and we wish you well in the future, but we have a series of questions to put to you about your time in post. I understand that we have you for just one hour, because you have a flight to catch.

When you appeared before our predecessor Committee, you said that the role of the board was “to set strategy...to hold the organisation to account for compliance, efficiency and rigour and to represent it externally”. How do you feel you have done? How has your time as chair been?

Simon Walker: I have some copies of our corporate and business plan, which have a lot of detail. I will leave them with you, if I may.

I am very happy with where the organisation is at this point. As you say, it is a strategic board. If you look at some of our recommendations, which can run to 200 or 300 pages of very detailed economic analysis with legal input too, you realise that no board of non-executives could sensibly engage and second-guess what a very expert team is coming up with. We are a non-executive board, but I think we have got the organisation into a very good place.

We are in Reading. There are about 150 staff, which will rise to perhaps 160 or just over. Our clients—the companies and businesses we deal with—seem to be very happy. Something like 80% of them say that we are fair, impartial, rigorous and efficient. We also have very engaged and positive staff—83% of them say that they find the Trade Remedies Authority a great place to work. That is up considerably from three years ago and well above the public sector average, so we are very happy about it.

I think we have managed to establish what will be a major economic regulator with a growing role in the UK economy overall. We came into existence with a particular objective, which was to transition into UK law 43 measures that had applied when we were members of the European Union. We have initiated, started and got going 31 of those and we have reported finally, with final recommendations, on 21—roughly half. So we are ahead of schedule. They have run reasonably smoothly, and we are pretty happy with the response we have had.

Q2 Chair: What do you consider to be the measure of success? Is it the number of inquiries that you have undertaken, the changes that you have effected, a change in the philosophy of the way businesses work?

Simon Walker: No one had done anti-dumping work in the United Kingdom for 45 years, so there was no expertise in this country in legal or economic analysis of the kind that is needed to deal with dumping and

unfair subsidy cases; so the major success, in my view, is that we have now achieved that and we have a cadre of experts.

- Q3 **Chair:** Was it a challenge to start doing something that we had not done for such a long time?

Simon Walker: It was a huge challenge, because it required quite a lot of technical, detailed knowledge. We had help with that in the early stages, but since then we have developed our own training schemes, and the people who join us rapidly develop considerable expertise in that area. On the professional side, we have three teams, basically: investigators, lawyers and economists. They are very specialised in the way they look at things. It is not just transition work; we have also started cases initiated by industry. These are cases where British industries—aluminium, optical fibres and even ironing boards—have come to us and said, “Look, these products are being dumped. We want some anti-dumping measure that stops them being dumped unfairly cheaply.” That work is now progressing well. To me, that is all part of the achievement.

We are ticking over extremely well. What we would ask is perhaps to be left alone for the next two or three years, to see how the organisation stabilises—it had quite an unstable origin—and to comment and make judgments then about what changes, if any, may be needed.

- Q4 **Chair:** May I ask about your term of office? There is some confusion about this. You were appointed for a three-year term, which I think started in February 2020. We are well beyond February 2023. Did your term actually begin in June 2021? When did the three-year term start? Can you give us some clarity on that, please?

Simon Walker: My appointment was confirmed, I think, in March 2020, and I took up the role then. But I was chairing a shadow board of the TRA to come, because it would come into legal force only when the Trade Act was passed and given Royal Assent, which didn’t actually happen for nearly a year. So in a sense I was doing my first year chairing the old trade remedies body, the Trade Remedies Investigations Directorate, as if it were a proper board, but legally it was not. So I have been chairing the Trade Remedies Authority as a wholly independent entity for a little over two years. My term actually expired, but I have been extended for a few months.

- Q5 **Chair:** It is a little grey, then. You would consider that you have run for a slightly longer term, rather than leaving early if we start counting from June 2021.

Simon Walker: By my count, it will be three years and seven months, so yes.

Chair: You have gone over your term. Brilliant. Thank you. I will now hand over to my colleague Jane Hunt.

- Q6 **Jane Hunt:** Mr Walker, you talked a moment ago about the TRA being “a major economic regulator with a growing role”, yet the person you are setting to replace you is going to be on the same terms and conditions,



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the same money and so on. What do you think about that?

Simon Walker: I don't think you take on this sort of role for the money, to be honest. I am sure I could have earned a lot more money elsewhere. I think you take it on because it is a challenge and because you want to see what will become an extremely influential body in years to come. Already we are seeing changes to our role, for example, in dealing with complaints under free trade agreements as they are created. I am okay with that. I think that for most public appointments, people are not really doing it for the salary, and it ends up taking up a great deal more time than the prospectus advises, as has been the case with me, but there is real stimulation in the intellectual challenges that you face and in the sense that you are doing something important, especially if you agree very strongly with the purpose of the institution, which is certainly how I felt at the beginning.

Q7 **Jane Hunt:** Of course, you set it up, so you will have the enthusiasm of starting it. Do you think the person replacing you, who will hopefully take the project forward, will follow in your footsteps? Will it still be an attractive proposition?

Simon Walker: I think it will, because it is developing a role. There is also quite a lot of stimulation in every single case. If you are looking at the dumping of frozen trout from Turkey, as we did—seemingly not a terribly major political issue—there are all kinds of questions. British trout is mainly fresh, so where does the line fall? What do you say about salmon? Does that fall into consideration? All these things sound vaguely dull, but they are actually quite stimulating when you get into them and you are trying to develop a fair process in terms of pretty clear legislation. I have always been very strict in saying that our job is to deliver what the legislation requires, and not to go further. I think that has been important.

Jane Hunt: Wonderful. I like your enthusiasm, Mr. Walker. Thank you.

Q8 **Andy McDonald:** Good morning, Mr. Walker. Can you say something about turnover of staff? There seems to be quite a rate of turnover. It was higher than 20% in the last reporting years. That seems high. What steps have you taken to reduce that?

Simon Walker: We did have a very high turnover. Incidentally, I should apologise for not being able to table the annual report and accounts—the Minister has not laid them down in the House yet—but that will be done on the 18th of this month and everything will be laid out there. Our turnover was extremely high—initially it was over 30%. That was in the old Trade Remedies Investigations Directorate. I think that is to be expected because the Trade Bill that set us up, which eventually became the Trade Act, took three and a half years to get through the parliamentary process, meaning that we could not get our teeth into real issues for three and a half years. It is hardly surprising that professionals over that length of time feel that they will move on to places where there is real work to do, and that certainly did happen. But the turnover has dropped from I think 30% three years ago to about 16% now. That is a bit high, but relatively



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acceptable. The senior staff have all been there for four years, which I value. I don't know how long they will remain.

- Q9 **Andy McDonald:** I am sure you did not mean to imply that what you do is not real work and that they go off to do things elsewhere that is real work. In November 2020 you said, “those who had left the TRA ‘invariably’ went elsewhere in the public sector, and often to the Department for International Trade.” I understand the point you are making, but can I probe you a little about culture? One person, who is now a trade remedies consultant, Sarah Hurst, accused the TRID of purposelessness and prodigality. That is nothing to do with Orange parades and the 12th of July. That is about wastefulness and extravagance. She was ultimately dismissed, she says, for “asking too many awkward questions”. That has taken its course, but it set alarm bells ringing with me about culture. This is your opportunity to come back at me on that. How are we doing?

Simon Walker: I think we are now doing extraordinarily well. I think we are ninth in the whole public sector in terms of staff engagement. It is not unreasonable to ask questions about how we were three years ago. It is not that there was no work to do; it is that until we came into legal being, we could not start on those 43 transition measures, which were the real purpose of our existence. I do not blame people who left during that period. The annual report and accounts when they are tabled—they cover nearly two years—have an unqualified audit report from the National Audit Office, which will show in detail that our expenditure has actually been very careful.

I am really very pleased with how we are doing now. I just hope no one spoils it by further changes to the way we operate, regardless of who is in government. That would be my message. There have been major structural changes to how we operate brought in by this Government. Ministers now have much increased power over our recommendations. I would say that is enough. They have all the powers they could possibly want. Please don't destabilise the organisation through further radical changes.

Andy McDonald: Thank you. I will leave it there.

- Q10 **Chair:** In terms of setting up the Department, you said that it contained roles that the UK had not performed for 40 years. How did you go about finding staff with the right skillset and knowledge? Did the challenges of doing that contribute to the high level of staff turnover in the early years?

Simon Walker: Yes, I think they did. Some people came in and found it was not their sort of thing. We were trying something out that had not been done before. Those who stayed took to it with huge enthusiasm and have now developed real expertise.

I have a further worry about turnover, which is worth sharing. I used to be a consultant myself on behalf of various businesses. These people are going to be very attractive to pull out of the TRA in three or four years' time, as trade issues of that sort become keenly contested. In my view, it

is quite important that they are properly paid and that the TRA is made an attractive place to work.

- Q11 **Chair:** Is there a danger of gamekeepers becoming poachers? Is that what you are saying?

Simon Walker: I don't know, because that is me in a way. Twenty-five years ago I was basically a lobbyist on behalf of businesses. That has made me particularly watchful of the tricks that lobbyists working on behalf of businesses sometimes play. In many ways it is not a danger, provided you have that commitment and focus. It is not our job to protect businesses from competition; it is our job to protect them from unfair and illegal competition. That is a very different thing.

We also have to keep a sharp eye on consumer interests and the maintenance of competition in the marketplace. That is what really attracted me to this. If it was simply a matter of whether we can protect British manufacturers from external competition, that would not be especially appealing. That balance, however, is challenging to anyone.

- Q12 **Ian Lavery:** Rowing back a little to what Andy McDonald mentioned about the movement of staff, you said that a lot of the staff left the TRA and went to work in the then Department for Trade in 2020. I wonder if that type of poaching—I am not sure if that is the right word, but it sounds appropriate from what has been said—is still being carried out by the Department for Business and Trade?

Simon Walker: I don't think it is. In a sense, the old Department for International Trade had also just been set up, so there was probably quite a lot more flux and movement than there is with the Department of Business and Trade, which after all is on very established foundations. I'm happy now to be part of the Department of Business and Trade, because I think that being in that much broader context, so that we have some idea of the Government's strategy about businesses overall, is quite a valuable thing.

There will always be a bit of turnover between Government and quasi-Government entities. It is frustrating for someone from the private sector, where you can actually bind people and say, "You're on six months' notice or more. You've got to stay." That is not how the public sector works. It is very easy to change roles, and the strictures on pay in the public sector mean that people quite often move in order to get paid a bit more. However, I think we have actually changed that, because we now have flexible pay arrangements that will allow people to be paid more on the basis of developing competence. That is important, because that sort of performance-based pay will continue to attract talented lawyers, economists and investigators, who might otherwise go somewhere else.

- Q13 **Ian Lavery:** Is "poaching" a fair word to use, do you think?

Simon Walker: I am not sure, because that implies that the Department was doing it deliberately. I think that a lot of people early in their careers—I was like this myself—have their eyes open for other



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opportunities all the time. If you are in the public sector and you are a bright and able lawyer or economist, no doubt the fact that you can move quite easily means that it happens more than it does in the private sector.

- Q14 **Andy McDonald:** Can I take you back, Mr Walker, to stakeholder engagement? You have spoken about this issue before and I think you also said that you are working to make the process easier for stakeholders to engage with you? You told the International Trade Committee about this in 2020, because there had been multiple reports about how expensive it was for stakeholders. At that time, I believe you said you were doing the job that was done by the EU and were adhering to the same standards. We have had that period from 2020 to 2023. Are we seeing some progress on this, so that stakeholders can engage with you in a more efficient and less costly manner? Can you tell us a little about that?

Simon Walker: Yes I can and I think that the proof of the pudding is really some of the recent cases that we have done: with aluminium extrusions, for example, and the tariff we recommended there; and on dumping ironing boards, where we found an unfair subsidy from the Turkish Government and made recommendations for a compensating tariff. Those examples involved relatively small companies. I think the ironing boards company had 200 employees.

What we have done since I gave that evidence is really to set up what we call the pre-application office. Any business can come to the pre-application office and say, "What are my chances of making a successful application?" I believe that in the ironing boards case the company did not use lawyers or outside economists. It did it as a business, making its own case, with the pre-application office showing them how.

It operates autonomously. For example, I know at the moment that there are 12 different sectors of UK business talking to the pre-applications office, but I do not know who they are; I don't know what the companies are and I don't know what the issues are. That is as it should be, because some of those businesses will say, "No, this is not for us," and decide not to go on. It is entirely proper that until they launch the application formally, we do not actually know that.

The last scope review that I think we are dealing with—I don't think it has actually been announced yet, but the process of that, in a relatively small British company, took about two weeks of work between them and the pre-application office to get an application in order, and that is being worked on at the moment. It is not that onerous. I was quite keen that it should not only be big multinationals that had the opportunity to defend themselves against unfair dumping, and perhaps the ironing boards case is the best example of that.

- Q15 **Andy McDonald:** It is obviously for stakeholders to bring this to your attention, but is there any facility for you to initiate these sorts of reviews or look at particular behaviours? Does it have to come from them?



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Simon Walker: Someone has to come to us and say there is dumping or there is unfair subsidy; we are not going to go off and do it ourselves. Nor would I favour massive exploratory work, and other international agencies are finding this too. I am not sure there is all that much dumping at the moment. Where it happens, it can be very damaging, but it is still quite unusual.

Andy McDonald: Thank you. It is good to know there is so much stiff competition in the ironing board industry.

Q16 **Anthony Mangnall:** My apologies for being late to the start of this session; it was not meant in any discourteous way.

On stakeholder engagement, you have made the point about an application process taking two weeks to be able to get the ball rolling when an industry is concerned about dumping measures, unfair competition or any of this side of things. How long does it take for the TRA to be able to come back and say whether this is going on and what measures will be taken against them, if you don't mind me asking? What is the average time that you have been able to do this? I am particularly worried about small businesses that might come to you. It is excellent that you are saying it only takes two weeks, but what happens if the investigation takes a year? Apologies if someone has asked this question already, but what happens in that time? For a small business, it may be that that is the difference between them being able to survive or not.

You have just talked about businesses coming to you. How confident are you that, under your stewardship, you have made the TRA open and accessible and people are aware of your existence? I was amazed last year—in fact, after one of your appearances in front of the previous Committee, the International Trade Committee, which I was sitting on—when Radio 4 ran a big piece about this very topic and did not even recognise that the TRA existed. There was a very big pause as I think Nick Robinson was informed of your existence in the first instance. I just wonder where you are on both those points.

Simon Walker: I think we have made him more thoroughly informed since then. One or two controversies that have arisen since then have brought us a bit more to public attention, but we are a highly technical body. We are never going to be on the front page of *The Sun*—I hope not anyway.

Anthony Mangnall: Or page 3.

Simon Walker: Certainly not page 3. On timings, what I was referring to—over two weeks—was a particularly straightforward case. About half of our measures involve China. About half involve steel or other basic products. Those are going to be infinitely more complicated and particularly have been over the covid period, because we have to verify claims of subsidies or unfair treatment in China, which has not been easy, so most of our cases actually take a great deal longer.



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We obey meticulously WTO law, which is an 18-month period for new measures and a 12-month period for the expiry of measures, if we have to make judgment on that. That is a legal obligation that has to be met, and it is not always easy. It certainly was not with the steel measures that we dealt with. Where we can—the scope review is an example, especially if it involves a small business—we will work very rapidly and try to give relief as soon as possible. There are situations. If a small company is in grave trouble, there are measures that we could recommend the Secretary of State introduce on a provisional basis.

You are absolutely right about people's awareness. It is something that has happened to me, too, when I have talked to people at social events about what we do. First, their eyes sometimes glaze over, but then I might find myself talking to someone from a construction company who does not know about our steel cases, for example. They might say, "Steel is really important for the construction of buildings. Why weren't we there?" I suppose that is an appeal that I would make and the biggest challenge for my successor.

I have no worries about producers and their awareness of potential trade remedies, particularly in areas like steel and ceramics. They have very competent representative organisations that follow things closely and are enmeshed with the detail. Their consumers, however, do not have that awareness. I know, for example, that the constituencies of some on the Committee have steel producers, but far more have steel fabrication businesses. They have to be part of it, too; they are the consumers—the downstream users of the products that we are making recommendations about—and I am very keen to get them involved.

The nature of free trade is that the benefits are widely dispersed, but the disbenefits extremely concentrated on a particular industry or even company. The beneficiaries of cheaper products brought into this country often do not know about this at all. To make them aware is the particularly big challenge. If there is an issue about ceramics, say, the people involved should be not only the people who produce ceramics, but the businesses that use ceramic products. That is the big challenge.

Q17 Chair: May I follow up on Mr Mangnall's question? Have there been any cases where adherence to the WTO rules—the 12 and 18-month periods you just referred to—mean that we have not got a report out as quickly as we might like? We might have concluded the work, the businesses might be looking for the remedy, but the bureaucracy has prevented action being taken as quickly as it might be.

Simon Walker: I don't think so. Some have been pretty tight, but we are conscious that some of these decisions might stay in a Minister's office for some time, and that Ministers will understandably want to get opinion on, particularly, controversial issues, so we try to get them in well ahead—

Chair: Even on ironing boards? That took the 18-month period to comply?

Simon Walker: I think we met that quite easily.



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- Q18 **Chair:** But that is the point: in the absence of the WTO rules, we might have got the remedy in place more quickly, benefiting the small businesses affected.

Simon Walker: I think that is possible, but I don't think it is a big problem. It is important to say that our measures are relatively marginal—they tend to be a tariff of about 10%, perhaps 30% in a case of a really strong subsidy or dumped product. Countries that use trade remedies in a very protectionist way—the United States is an obvious example—will often go to town. President Trump imposed a 1,700% tariff on imported mattresses. That is not dumping; that is in order to protect domestic industry, which is something—thank heavens—that we do not do.

- Q19 **Ian Lavery:** During the covid pandemic, the TRA carried out assessments by Zoom, Teams or whatever it might have been. Was that the first time you had done that? I am wondering whether you have continued that type of practice for the assessments, or have you now moved to more in-person assessments?

Simon Walker: We are now doing many more in-person assessments and we have done our first international verification exercise—I think it was, in fact, in Turkey on ironing boards—where we sent over a team to look at what was happening in Turkey and to come to a view on how much was being subsidised. I think it was a subsidy case. That is starting to happen.

China is pretty difficult, particularly because subsidies can be very hidden. A subsidy is not necessarily a vast grant of cash; it could be free or cheap labour of some sort or land that is simply given to a company. It is trying to burrow into that that is particularly difficult, and countries like that are a particular challenge.

- Q20 **Ian Lavery:** Sending a delegation to Turkey with ironing boards is crazy to me, by the way. It is quite bizarre. Putting that aside, you are basically trying to get more in-person assessments. I had a look at the assessments you have done online, on Zoom. Do you think they are carried out to the same sort of high standards and high spec that you would require?

Simon Walker: I think they are. When we were set up, we said we were the world's first digital trade remedies authority, and we have an extremely advanced trade remedies service that is entirely online. Companies and, indeed, customers have the opportunity to feed data in there. It is also extremely transparent. Uniquely, any member of the public can go to our website—they would have to be fairly committed to do that—and go into the real detail of anything we recommend. That transparency has been a major achievement.

There are bits that are not transparent. Confidential data that is business-sensitive can still be made available to us, but basically we are very public in all of that. I have not been entirely positive about the changes that have been made to ministerial authority, but one of the consolations for me is that everything is transparent. If the Minister overrules us, it has to be tabled in the Houses of Parliament. Everything is online, and the



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rationale has to be there. That, to me, is very important. There are not any quiet words being uttered in confidence that say, "Would you help out this client or that one?"

- Q21 **Alan Brown:** Your chief executive, Oliver Griffiths, noted in October that trade defence counterparts in the European Commission wouldn't talk to you because of the then issues with the Northern Ireland protocol. What is the nature of that relationship now?

Simon Walker: It has changed. Since the Windsor framework, the European Commission has resumed its ability to talk to us, and I think that is important. We had our first meetings in Geneva a few weeks ago, and there will now be much more interaction between us. We are really talking about exchanges of information. Quite often, our markets will be fairly similar, so if we end up being able to advise on best practice or ask them—or if they ask us how we have found something or what our data is—that could be useful.

- Q22 **Alan Brown:** That exchange of information is so important. There was a period when we were just not getting that information, even though the EU was collaborating with their 27 member states.

Simon Walker: I think the EU was pretty tough during the impasse on Northern Ireland about talking to any UK Government institutions. For that period, we still had extremely good relations with other anti-dumping organisations in the States, Australia and New Zealand. We were talking to them a lot, but we were not able to talk to the EU for that period because they wouldn't, but I am pleased they are able to now.

- Q23 **Alan Brown:** Do you think it will be a proper, good working relationship going forward?

Simon Walker: I think it will become that.

Alan Brown: Still a way to go.

Simon Walker: We are not there yet, but it is now a friendly relationship with an exchange of views. In time, I would imagine our lawyers and economists will be dealing much more closely with the professionals in the Commission, and that will bring benefits to both sides.

- Q24 **Alan Brown:** Is the reality that until we get there, the UK is slightly disadvantaged just because of the information the EU can take?

Simon Walker: I think it is helpful now that we can talk to them. I am not sure how great the loss or damage has been; I do not think it has been particularly significant, but it is definitely a plus that we are able to talk to them now. These are not areas where people from different countries are inimical; they are areas where there is a lot in common.

- Q25 **Alan Brown:** I commend the investigations you have undertaken, and recommendations you have made, on safeguarding measures such as tariffs. Have the Government accepted all the recommendations?



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Simon Walker: Yes, in the main that is true. There was one case, which was very well publicised, where legislation was changed in order to give the Secretary of State these powers. She called in our recommendations on steel safeguards. She reformulated the questions and we gave her the data that enabled her to come up with a different answer. That is the one time that that has happened. It was not something that I was particularly happy about, but I respect the right of Parliament to change the legislation, as it has done, and we are a creature of statute, so we will enforce the law as it stands.

Q26 **Alan Brown:** How many safeguarding measures been implemented as a result of your recommendations?

Simon Walker: It is important to distinguish between a safeguard measure and tariff measures, such as measures on dumping or unfair subsidies, because “economic safeguards”, in inverted commas, are emergency measures brought in to deal with a particular unexpected situation. What happened over steel is that President Trump blocked all foreign steel coming into the United States four years ago. There was a perception—undoubtedly accurate—that that could lead to steel being dumped throughout the European Union very cheaply from China, which is the world’s largest manufacturer by a country mile, and therefore safeguard measures were brought in. That is the only safeguard that the European Union or we have had in, I think, the last 15 years. It is not something that is done lightly. It does not require us to find dumping or any misbehaviour on the part of the other Government; it applies to all countries in all circumstances and is purely to protect our industry. It is not popular with economists for that reason.

Q27 **Alan Brown:** How many anti-dumping measures have been implemented following your investigations?

Simon Walker: We have come back with 21 recommendations, and I think the Secretary of State has accepted all of them. The safeguard I just mentioned is the only time we have been overruled. The other measures that were being transitioned still apply, because they were transitioned into British law when we left the European Union, and they will expire on the date on which they would have expired in the EU, had we stayed a member. That is how it works. They are all still in force except where we have recommended, as we have sometimes, that they should be dropped.

Chair: Mr Walker, you referred to steel safeguards; that is an issue that Andy McDonald wants to raise with you.

Q28 **Andy McDonald:** Yes, could I roll on to that? There is an interesting discussion to be had vis-à-vis the relationship between the TRA and the Secretary of State. The TRA recommended the maintenance of inherited EU steel safeguards in June 2022, but that was according to a set of metrics designed and provided by the Secretary of State. Do you think there is a risk that when these assessments are recalibrated, they are being used to justify political decisions? You seem unhappy about that. This might be your opportunity.



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Simon Walker: I always made it clear to the Government that I did not favour these so-called reforms. The legislation that brought us into being was designed as legislation to promote free trade and entrench free trade in principle. In the old legislation, the Secretary of State only had the right to make our recommendations more liberal, not to tighten. That was changed; the Secretary of State was given the right to overrule us, and also to overrule the economic interest test. We can come up with a view, on highly technical grounds, that the economic interests of the United Kingdom are best served by something, but that will be overruled by the Secretary of State, and that can certainly be done on political grounds. I would have preferred it if that had not happened, but as I say, we are a creature of statute.

- Q29 **Andy McDonald:** But you have a view. We got into trouble over it, because we were found to be in breach of WTO rules. Is it really appropriate that those call-in powers are used to push us into a breach of international obligations? Do you have a view about that?

Simon Walker: We, as an entity—as an institution—are always going to obey the law.

Andy McDonald: You are on the way out. You can have a view; you can say what you think.

Simon Walker: I would rather that those powers had not been given to the Secretary of State. That would have been my preference. That was how the legislation was originally designed, but as I say, it is ultimately for Parliament to decide.

- Q30 **Andy McDonald:** That is right, and it is our job to try to tease out how Parliament and Ministers go about their business. On the provisions in the Finance Bill that amended how the TRA operates, what degree of consultation were you given over those proposals?

Simon Walker: I cannot complain about that; we were consulted very closely throughout it. On the other hand, the Government made clear what their intentions were. Having said that, they certainly listened to us, and a very important area where they listened to us was on transparency; everything has to be done on the public record, and any overruling is clearly tabled. We also have the right to initiate, to come to conclusions, and to recommend. If we say something that is in conflict with what any Minister or any Government would prefer, that is on the public record, and that, to me, is a significant consolation. We are an expert body.

- Q31 **Andy McDonald:** The current chief executive, Oliver Griffiths, noted, on the creation of the call-in powers for an arm's length body, "The arm felt pretty short at that point!" We have a whole raft of changes that appear to me to be a transfer of power from the TRA to the Secretary of State. Is that a fair analysis? You said that it has been done transparently, but surely that is a fetter on the independence of the TRA and a shift, with this very short arm.



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Simon Walker: We remain independent, but we have rather fewer powers. We have less authority in that sense than we did in the original legislation, and that, for me, is a matter of regret. It was hugely creditable that Ministers in 2016 and 2017 wanted to give this power to an independent authority. It does not happen often that Ministers voluntarily renounce powers. I was pleased they did it. They had a rigid statute, and the economic interest test drove the legislation.

As I say, it is for Parliament to decide, and I was not going to throw my toys out of the cot over a disagreement. It was more important to keep this body independent, expert and rigorous, and that is what I am leaving, with considerable pride.

- Q32 **Chair:** Would you say that the operation will be less effective as a consequence of these changes? Might it be harder to get high-quality people to do the investigations if they know that the conclusions they come to might not be implemented in the way they were previously? Have you have lost some of your teeth, do you think?

Simon Walker: I think we have lost some of our teeth, and there is an attraction to working for a body that is the determinant of fundamental, important economic concepts. I am sure the Bank of England would feel this way about its ability to set interest rates, so yes, that is an attraction. I think the messing around with our powers has been a bit of a negative, in terms of staff, while I have been there. However, I think we have overcome it, and we have a very strong body that is absolutely ready to deliver authoritative analysis. It will do that, regardless of the fact that the Government can now overrule it.

- Q33 **Anthony Mangnall:** Forgive me: we have 10 minutes before we have to go, so I will be extremely brief. The Secretary of State said that changes would be made to the TRA to allow decision making to "balance the interests of UK producers, importers and consumers". Is that being achieved?

Simon Walker: Yes, it is being achieved. When the then Secretary of State, Liz Truss, appointed me, she said, "This is great for Ministers, because people can come to us and say, 'We really don't like the tariff that's been imposed,' and the Secretary of State can say, 'It's nothing to do with me; it's that independent body out there that does that.'" That has gone.

- Q34 **Anthony Mangnall:** With that in mind, is the Secretary of State also right in saying that the TRA was not striking the right balance, which is why these changes were needed?

Simon Walker: That is not my view, but I think it was the Government's view about steel safeguards. But that was a very specific matter, and there was some extremely effective lobbying by UK Steel.

- Q35 **Anthony Mangnall:** Before I hand back to the Chair, and on a slightly separate note from most of the questions asked thus far, how do you deal with goods that are imported into the UK that might have fraudulent



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marking on them? I don't know if this is something that has come up, but I have seen recent cases of it, certainly while preparing for this discussion. For instance, tyres imported from China can have false logos on them denoting higher quality. Obviously, that undercuts the market significantly, because the price for the tyres is lower; to all intents and purposes, they look like the real deal. How does the TRA respond in that scenario to help smaller businesses that might be competing?

Simon Walker: It is a very fair point, but we interpret the legislation very strictly, and that confines us to dumping and subsidy issues. Were we to become aware of that, we would certainly report it to the relevant authorities. It sounds like an open and shut case of fraud, but I am afraid it is not something we can act on ourselves. We have really been very strict about what the law tells us to do and limiting ourselves to that. We would undoubtedly report it to the relevant authorities.

Q36 **Anthony Mangnall:** Yes, it would be fraud, but it would also be a case of dumping if someone was dressing something up.

Simon Walker: We could certainly look at the dumping aspects of it.

Q37 **Antony Higginbotham:** Continuing on the theme of the Finance (No. 2) Bill and some of the changes proposed, one of the changes will allow the Secretary of State to revoke anti-dumping or countervailing measures if they are satisfied that that is in the public interest. I just want your view on that change. Your business plan says that the ambition is to be a "globally respected trade remedies body". Do you think this helps or hinders that?

Simon Walker: To be perfectly frank, I do not think it matters very much, because I cannot really see that happening. We were set up in a way that means that if there was no dumping or subsidy, we would come to a recommendation that a tariff should be revoked. We could also come to a view that there might be dumping or unfair subsidies, but it is still in the public interest that these products be allowed in, either without a tariff or with a reduced tariff. That was the driving force behind our creation. The Secretary of State has always been able to liberalise further. I do not think that is very likely to happen, so it is not a power I worry about.

Q38 **Antony Higginbotham:** Why do you think the Government wanted to include that in the Bill?

Simon Walker: I think—and this is a legitimate position; I am not attacking it—that Ministers felt that Ministers, who are accountable to Parliament, ought to be deciding what they saw as political issues. That is not an unreasonable point of view; I respect that view.

I suppose my central message to this Government or any successor Government would be: those powers are now there; I don't think you need any more than that. Retaining the independence and the expertise of the TRA, and indeed expanding its ability to advise on trade matters, is probably a good thing.

Q39 **Antony Higginbotham:** Do you think that the change could result in



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global regulators and others looking at the TRA and thinking that it might now be more politicised than it was, but that that is not in itself a problem? Is that what you are suggesting?

Simon Walker: I don't think that will happen, because I think we have been rigorously independent. All of us who are non-executives are rigorously independent, and I very much hope my successor will be. It is not our job to please Ministers; it is our job to analyse the legislation and make a recommendation on the basis of it and on the basis of our findings. If that displeases Ministers, so be it. We are different from a Government Department in that respect, because Government Departments will always wish to fulfil the wishes of their Secretary of State. There is nothing wrong with that, but that is why you have separate independent authorities.

- Q40 **Ian Lavery:** The TRA will require additional skills and resources, given the new obligation to investigate safeguards under the free trade arrangements. What are the most essential and important changes that will be needed?

Simon Walker: I think a very interesting area will be the economic interest test and how it comes into play when goods are imported quite widely through a free trade agreement that is clearly for the benefit of UK consumers, but may be to the detriment of some producers. I am half a New Zealander, and I spend a lot of time in New Zealand. I can see the New Zealand and Australia free trade agreements having consequences, probably quite a long way ahead, that might bring those questions into play.

The thing I particularly admire about the legislation is the economic interest test. This is the first time any country has tried to codify that in statute. It is a very difficult balance to maintain, but to me the appeal of the organisation and all that we do is in trying to ensure that interests are respected across the board, not just those of a particular vocal segment.

- Q41 **Ian Lavery:** What will the additional requirements be, in terms of skills and resources?

Simon Walker: I can see that in areas where there is not really much call on us at the moment—agricultural products are a very obvious example—we may need a bit of further expertise when demand rises, but it is too early to tell, because the real liberalisation in the two agreements I referred to will be in 15 years' time.

- Q42 **Chair:** I have a couple of final questions. Will there always be enough work for a body such as the Trade Remedies Authority? Will there always be cases of dumping and unfair practices? With the economic interest test, will there always be enough work for the team to do, or could we get to a period when trade is seamless, and none of these problems exists?

Simon Walker: No, I am afraid I think the world is getting more protectionist. That will lead, in time, to further calls and claims that products are being dumped. I am a great believer in trade, because I think



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it has brought huge benefits to the people of this country, as well as to the countries we trade with, but I think there will always be a need for a body that, in a dispassionate and expert way, analyses whether things are being done fairly or not.

- Q43 **Chair:** Given your thoughts about protectionism, the work of the Department is only likely to increase.

Simon Walker: Yes. I do not believe that quangos should be allowed to expand indefinitely. It seems to me that the sort of level we have, with 150 or 160 people and a modest budget, is probably the right level for at least the next five years. We are in good shape, from my perspective.

- Q44 **Chair:** Your successor has not yet been appointed but is due to be in place in September, which is not so far away. Have you any words of advice or thoughts for them, or a steer you would give them on the role?

Simon Walker: There are two points I would make. First, it should be someone who at least cares strongly about trade—someone to whom trade is important, and for whom it is perhaps an area of expertise.

The other point is a rather more general one about governance. This is a non-executive board. It would be crazy for someone like me to try to get into the economic or legal weeds on a very complicated recommendation, because I am never going to have the expertise—and no one else is—to overrule the work that is being done. The ability to ask tough questions and make sure that the organisation is working properly is really important, but this is a non-executive job; it is not one where the board determines the outcome.

Chair: We have not heard quite so much about ironing boards in a Select Committee before, so in that respect you do seem to have got into the weeds. Thank you very much indeed for your evidence.