

Business and Trade Committee

Oral evidence: UK trade with the US, India and EU, HC 996

Tuesday 13 January 2026

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Members present: Liam Byrne (Chair); Dan Aldridge; Antonia Bance; John Cooper; Sarah Edwards; Alison Griffiths; Sonia Kumar; Justin Madders; Charlie Maynard; Mr Joshua Reynolds.

Questions 196 - 233

Witnesses

- Tom Bradshaw, President, National Farmers Union;
- Peter Brennan, Director of Trade and Economic Policy, UK Steel;
- Matt Hinde, Head of International Policy and Engagement, National Grid;
- Oriel Petry, Senior Vice-President, Group Head Public Affairs, Airbus UK.

Examination of witnesses

Witnesses: Tom Bradshaw, Peter Brennan, Matt Hinde and Oriel Petry.

Q196 **Chair:** Welcome to the second panel in today's hearing on the Brexit reset with the European Union. Thank you very much indeed to our panel for joining us. If you would not mind, would you just introduce yourselves with a one-liner?

Tom Bradshaw: I am Tom Bradshaw. I am president of the National Farmers Union, representing 43,000 members across England and Wales.

Peter Brennan: I am Peter Brennan. I am director of trade and economic policy at UK Steel, the trade association representing steel companies in the UK.

Matt Hinde: I am Matt Hinde, head of international policy and engagement at National Grid.

Oriel Petry: I am Oriel Petry. I am senior vice-president for public affairs at Airbus UK.

Q197 **Chair:** Tom, let me just start with the question that I posed at the top of the first panel. Is the trading relationship that we have with the EU today what people thought they were voting for? We have asked your sectors to come together because, when we look at the cold numbers, we can see food and drink exports down by a quarter in five years. It looks like we are going to be paying £800 million to the EU in carbon tariffs if we do not join up our electricity trading systems. We are not in the defence partnership for SAFE. We have steel facing measures labelled as "disastrous". It feels like it is quite a tough outlook for a number of sectors. Just describe what the relationship with the EU is like today for your members. Is it better or worse than it was 10 years ago?

Tom Bradshaw: We have definitely seen increased friction at the border since withdrawal from the EU. We believe the fall in trade volume with the EU since 2019 is more than 35%. The premise on which we work on behalf of members is that demand creates value. If you are seeing the demand for a product fall, that is not the best opportunity to create the best return for the products that members are producing.

There is opportunity from reducing the friction at the border, but we have also seen that we are no longer fully aligned. We have moved forward in certain technological areas. Gene editing is one of them; plant protection products is another one where we are not currently aligned. We need to be able to take the opportunities that exist in those areas. There are some real opportunities to become world leaders and drive inward investment in research and development in the particular area of gene editing. We need to be able to seize that opportunity.

Q198 **Chair:** We are going to get into how we optimise that in a second. Peter, what is your perspective? What are your members facing now?



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Peter Brennan: It is slightly different. Steel is much more frictionless in terms of the way it moves around the world, and there are not the same problems as there are with organic material.

The problem that we have is that we are in a time period when the steel industry is fragmenting. A lot of trade barriers are being put up everywhere, because continued overproduction in China is seeping into the global markets, distorting prices and making it basically unworkable for most of the developed world to continue making steel and operating other heavy industries.

Our concern is more that trade barriers are going up. The US has put up barriers, as has Canada, and the EU is going to put up barriers. We have to put up our own. Unfortunately, one of the problems is that this interrupts trade flow between the EU and UK, simply because these trade measures have to target everyone. There is collateral damage. The issue is more that we are no longer in a giant trading bloc in which we all have the same rules and parameters. We are a much smaller fish in a world where everyone is putting up barriers.

Q199 **Chair:** For your members, is the UK steel industry in a better or worse position than it was 10 years ago?

Peter Brennan: The industry is in a worse position than it was 10 years ago.

Q200 **Chair:** Matt Hinde, we have obviously decoupled our electricity trading systems—not that that was a big feature in the debates 10 years ago. Now that the EU has introduced CBAM, it looks like we might have to pay in something like £800 million in carbon tariffs if we do not get the systems joined together. Can you just paint us a picture of what your business and others in your industry are going through today?

Matt Hinde: Thanks very much for the invite to speak. We run the major part of the electricity interconnector fleet with the EU. Electricity interconnection accounts for about 15% of the UK's energy mix. It provides flexibility and security of supply to the system, and it enables future UK energy exports.

The consequence of leaving the internal energy market was that, as you say, we decoupled from the highly efficient market coupling system in 2020. That reduces the efficiency of the operation of the interconnectors. That has a direct cost to UK consumers. It also makes the development of future infrastructure more complex and difficult. There is a similar issue, which really kicked in on 1 January 2026, with the EU's carbon border adjustment mechanism, which will create a new and unnecessary trade barrier in the North sea and the Irish sea.

Q201 **Chair:** It sounds like you are in a worse position, not a better position.

Matt Hinde: It is certainly a more inefficient position.



Q202 Chair: Oriel, what is the situation for your firm and for your industry? Do you now have a bunch of new freedoms that mean your business is in a stronger place?

Oriel Petry: As you know, Airbus leads in civil aircraft globally. What we do here in the UK is the wings manufacturing. After our acquisition of Spirit in Belfast and Prestwick, we now employ 15,000 people. We are also the UK's biggest satellite manufacturer. As you know, defence has only recently come into the European arena. In both those areas, we have invested about £2 billion over the last 10 years. The wings are manufactured here, and the communications satellites are also made here.

We have to do more paperwork, as we heard in the earlier session. Various areas, such as product certification, have got more complicated. But the investment has continued, and the UK remains a key part of our global business.

Q203 Chair: Are you able to characterise the business as stronger for being in the constitutional position that we are in at the moment?

Oriel Petry: In aerospace, we have been quite fortunate. We have had a WTO agreement on tariffs that has kept it steady. We are in a similar position now as we were before, but there is more paperwork that we need to do.

From our point of view, the key point is that the UK needs to continue to partner with Europe, particularly in defence and in space, where we see the need for greater consolidation in a market that, as has been said, is globally becoming more competitive. It is critical, therefore, that the UK thinks about its capabilities and its sovereign capabilities in a broader European context. That remains a key priority for us.

Chair: That is very useful.

Q204 Antonia Bance: I am coming back to Peter from UK Steel. What are the EU's impending steel measures going to do to the UK steel sector?

Peter Brennan: Nothing good. The problem is that the world is waking up to the fact that China is not going to stop producing steel. It is going to export deflation around the world, because it does not have domestic demand. It is going to have to keep exporting in massive quantities.

The US got the ball rolling by putting tariffs on everything. Other people are going down an equally blunt route. The Europeans are saying, "We are going to halve the existing quotas that we have", which means that everyone exports to them less. The UK is going to have to work out what it wants to do as well. We need to do something similar.

The thing that we are trying to get across when it comes to a reset, if there really is a reset, is that the UK is not the problem when it comes to exporting steel to the EU. We are not the ones aggressively undercutting



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prices or anything like this. We have long-term relationships. In the last 10-year period that they are looking at, in which imports into the EU have risen quite sharply, UK exports to the EU have fallen sharply. We are not the problem. Unfortunately, because these are blanket sweeping quotas, the UK gets caught up in them. Because 78% of our exports go to the EU, we get hurt particularly hard.

Q205 Antonia Bance: When the steel strategy comes—we all hope it will do so soon—what should it say on this matter to protect the UK steel industry?

Peter Brennan: There are two things. First, we have to get UK-specific allocations in the EU quotas. We have them currently. We need to make sure that they are not reduced by the same amount that other countries are. There are a lot of WTO things at play here in terms of favoured nations and these sorts of things. If there is this economic reset with the UK that the EU wants, and in terms of national security and these sorts of measures, we should be getting something out of that.

The other side of that is that the UK has to put in significantly tighter import quotas of our own. We currently have import quotas, but in over half the categories of steel the actual quota is larger than UK demand, so it offers zero protection. We need that to be considerably strengthened.

Q206 Antonia Bance: Would you like to comment on what your hopes are for UK CBAM and how steel producers are finding it after these first couple of days of having to negotiate EU CBAM?

Peter Brennan: We need linkage. We need to link the emissions, and we need to get CBAM exemptions. Then it is a reasonably good thing. I do not know how close we are to doing that. Again, if there are reset talks, that is something that we would like accelerated.

The uncertainty is a massive problem for everyone exporting, but the sheer amount of paperwork for smaller companies in particular just makes it unworkable. At the moment, the way that the EU has implemented CBAM means that it is very complicated. Lots of importers basically just got ahead of the curve and imported as much as possible, because they do not want to work out the headaches.

Q207 Antonia Bance: I also want to ask about rules of origin and the extent to which the steel industry may be affected by some of the increasing concerns around the world about exactly where products have come from. Do you have a comment on that, Peter?

Peter Brennan: Obviously, the big concern there is Tata Steel. At the moment, they are not melting steel. They are going to be importing the raw material while they are building electric arc furnaces. Hopefully, we can get exemptions from the EU because we are doing the investment to decarbonise, which is one of the reasons that we are putting all these CBAM policies in place.



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With the US, it has not been too much of an issue. Tata Steel is able to export to the US under 25% tariffs. We will have to see how this comes out in the wash when the EU finalises what it wants to do on import quotas.

Q208 **Chair:** Let me just check my understanding of this, Peter. The proposal before the European Parliament and the Council of Ministers doubles the tariff on steel imports over and above the quota limits, from 25% to 50%. Is that correct?

Peter Brennan: Yes.

Q209 **Chair:** The quota for tariff-free EU steel falls by 47%.

Peter Brennan: Yes, exactly. They are trying to reduce the amount of imported steel that goes into the market quite substantially. The EU used to be a massive net exporter of steel, but they have lost those markets, largely. That is a significant volume of steel that they would produce for a market that they do not have anymore. They have also been losing domestic market share to imports, as well as having a constraint in terms of demand.

Q210 **Chair:** If these measures are implemented, what are they going to do to the UK steel industry?

Peter Brennan: It depends, but it will most likely reduce significantly our exports to the EU. It is a big problem for specific sites that are very dependent on exports.

Q211 **Chair:** Can you forecast what the jobs impact of that would be?

Peter Brennan: No, it is not really my place to do that. It really depends on how the quotas are allocated. It is not just, "Steel is steel". There are all these different categories. How the allocations work within those, and whether the UK gets them, is up for grabs in the negotiations.

Q212 **Chair:** You are basically praying for a UK exemption from these measures.

Peter Brennan: Yes. We want the allocations to be as high as possible, reflecting the traditional trade flow. If there are exemptions for products that we make that the EU does not make, that is great. The way that the EU is looking at it is that they do not want to go down the exemptions route, because traders find loopholes to bring in stuff. We really want allocations as high as possible, reflecting our historic trade routes.

Q213 **John Cooper:** If I could come to you, Ms Petry, I want to talk about defence. In May last year, we agreed the security and defence partnership with Europe. There were great hopes that we would then be involved in SAFE, the Security Action for Europe loan scheme. By December, that had fallen through. We seem to be a million miles apart. We were offering about €200 million to enter, and Europe wanted something like €6.5 billion, so we are a long way apart. What is your view



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of the situation now? Can we turn this around? What impact will this have on European security co-operation?

Oriel Petry: As a business, we were disappointed that the SAFE agreement was not reached. For us, the security and defence agreement that was reached in May is helpful, because it gives us access to 35% content on products that are bought with SAFE-backed loans. For us as a business, that means our large aircraft, such as the A400M military aircraft and the Voyager—the MRTT—can be financed by SAFE. If another member state, such as Poland or somewhere else, wish to buy our large aircraft, they can use a SAFE-backed fund.

Q214 **John Cooper:** Those are transport aircraft and an aircraft that is involved in refuelling.

Oriel Petry: Exactly. The security and defence pact in May gave us that 35%, but that is not the same as being full members. With all of this, we clearly have our priorities as a country, but the EU needs to meet them. This is about finding common ground in the negotiations. It was disappointing that between that May agreement and the Coreper agreement in late October—that was when the member states said, “Yes, the Commission can go and negotiate with the UK”—the UK was left with quite a tight timescale for that negotiation. That is definitely a shame and not an ideal outcome. As I say, what we got in May is at least sufficient for our business to be able to continue to export.

Q215 **John Cooper:** Do you have any sense from the Government of whether or not the negotiations continue? Was it a cliff edge in December, or are you aware that we are still trying to get into SAFE?

Oriel Petry: I am only aware of what has been said publicly. The Prime Minister has said that he does not expect to open that negotiation again. That is my understanding. I am not aware of anything other than what has been said publicly.

Q216 **John Cooper:** It is quite a setback in terms of European co-operation, isn't it?

Oriel Petry: Yes, it is a shame. As I say, it is not a total bar. Through that pact, there is some access to SAFE. The other thing that I would say is that SAFE is just one part of what Europe is trying to do in terms of rearmament. For us, and for the sector in general, some of the bilateral agreements that the Government have signed—such as with Germany through the Trinity House agreement and the Kensington treaty, as well as the French agreement and others—are important, because the European Commission is not buying defence equipment; it is the individual member states. From our point of view, the Government pursuing bilateral relationships and pacts, as they are doing, is another avenue for us to foster co-operation, particularly in defence.

Q217 **Chair:** It is widely acknowledged that there are three areas where we are going to need to develop some capabilities in Europe in order to pick up



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the burden that the United States may not bear in the future: strategic command; heavy lift and space; and positioning, navigation and timing. It sounds like in heavy lift and in space there are, in your view, good platforms for co-operation with the European defence industry, or is it not as good as it could be?

Oriel Petry: On heavy lift, the security and defence pact gives us access to have the aircraft's wings manufactured in the UK, and its engines manufactured in the UK, below the threshold where SAFE would not be allowed to be used by a country to purchase.

In space, it is a different issue. We have consistently been saying that we need one space prime in Europe, not three. Last year, the three big space businesses in Europe—Thales, Leonardo and Airbus—decided to merge. That process is now going through the motions. From our point of view, we believe strongly that both the UK's strength and Europe's strength lies in a consolidated space industry. Clearly, it needs to go through the Commission, the CMA and various other regulatory barriers, but we see that as a way through. The CMA and the Commission tests would have been one before, but our hope is that the decisions will be made with that big prize of European capability at the heart of the decision-making.

Chair: That is a bit more optimistic.

Q218 **Sarah Edwards:** Matt, I am quite interested in the current challenges that we have around the cost of energy in the UK. Could you describe the current situation that we have? Can you help us to understand the costs that we are currently having to pay on the basis that we left the internal electricity market that the EU currently operates? Is the emissions trading scheme also creating some additional costs? Are you able to give us some idea of what that is doing to our bills and particularly how it might be impacting businesses?

Matt Hinde: In terms of what happened, we left market coupling. Market coupling is a highly efficient form of electricity trading. If you will permit me to give a basic description, market coupling is a one-click commodity buying system. You put it into the algorithm at midday and you buy electricity, a transport route and the transport. Outside of that, you are effectively buying the electricity, the transport routes and the transport separately. That in itself is inefficient. There is a cost to that. We estimate that, since we left the internal market, the cost is probably about €1 billion.

Q219 **Chair:** What is €1 billion?

Matt Hinde: The reduced efficiency has led to a cost of €1 billion to the interconnector fleet. It is effectively an opportunity cost in terms of having more efficient trading. We estimate that by 2030 it will be around €350 million a year. By 2040, it will probably be €550 million a year as the interconnector fleet expands and is used more.



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That obviously has an impact on consumer costs. In 2022, Energy UK estimated that as about a 0.7% increase in the wholesale price of electricity. That is a direct cost. There is also a separate issue here, which is about the development of future infrastructure in the North sea. There are quite ambitious targets for the deployment of offshore wind and interconnected grids in the North sea in the run-up to 2050. Not being in the same regulatory and market system as our partners at the other end of the interconnectors makes that more complex, more difficult and, by extension, more expensive.

In terms of the ETS, it is slightly more difficult to work out exactly what the cost of that would be. The consultancy AFRY did warn that it could cause major GB wind curtailment and knock-on negative socioeconomic impacts. Energy UK estimated that it would cost UK exporters about £2.2 billion over the period of this Parliament.

Q220 Sarah Edwards: Is there any inkling as to when we might be rejoining it? Have you heard anything on the grapevine about making sure that we can re-enter the electricity trading element?

Matt Hinde: We saw the joint Government and European Commission document before Christmas, which set out a slightly more detailed draft negotiating mandate. That will progress into formal negotiations once the European Council agrees a mandate. It is very speculative, but I would expect that to take slightly longer than the ETS linkage negotiations. It would be possible to do it within the next couple of years if there is the political will to do it.

Q221 Sarah Edwards: You are confident, but it will not be any time soon.

Matt Hinde: Yes. As ever, negotiating with the EU is a complex process with 27 countries, the Commission and the Parliament.

Q222 Chair: It is not a technical problem, in the sense that we have not disconnected the cables. It is a legal, commercial and contractual problem.

Matt Hinde: Yes. It is technically complex, but we still have the interconnectors in place and they are working very effectively. It is just that they are working less efficiently than they would within the market coupling system.

Q223 Chair: The result is that electricity prices are higher in this country.

Matt Hinde: Yes.

Q224 Dan Aldridge: Matt, I am coming to you again. As policymakers, we talk a lot about digital transformation, the power of digital and the power of AI to transform the way we live in a positive way, hopefully. If we look at the UK Government's AI opportunities action plan, what is your assessment of National Grid's progress towards its obligations under that? Is there any scope within the conversations around the EU-UK reset to influence or impact that in a positive way? Following on from that, are



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there any challenges in moving that forward?

Matt Hinde: I am afraid that is rather beyond my area of expertise. I can certainly write to the Committee with the details.

Dan Aldridge: That would be really helpful.

Q225 **Charlie Maynard:** I have a question for you, Tom. Do the Government have the right approach on SPS, and what benefits will dynamic alignment bring? I am asking particularly in reference to the direction of travel, as I understand it, being a proposed UK-EU common SPS area. What are your thoughts about a common UK-EU customs zone, where customs is aligned beyond SPS? Would that be good news for your members, or not so much?

Tom Bradshaw: We did not initially support full dynamic alignment. We were looking for equivalence or mutual recognition, given that we had the same starting point and the standards were pretty similar. Dynamic alignment is what the framework set out in May, and that is the approach that is being taken.

Reducing friction at the border is definitely in everybody's interest. Our horticultural businesses that are importing a lot of plant material have real concerns about their ability to import, the cost of those imports and the risks associated with border checks taking place in the wrong place. They would like that friction freed up very quickly.

If we look at our exporters, our beef exports to the EU are down over 20%. Our dairy exports are down 16%. Again, there is an opportunity. We have massive oversupply in dairy at the moment—I should just frame that—but in the longer term there are opportunities there.

The regulatory autonomy piece is incredibly important. We have taken steps, particularly around plant protection products but also around gene editing, and we are no longer fully aligned. With the climatic conditions here, mycotoxins are another issue. The EU has changed mycotoxin limits, particularly within oats. We could have challenges meeting their mycotoxin levels, so we need technical solutions. Sometimes it is going to be a transitional arrangement, particularly for plant protection products. We have four products registered that they do not have access to in the EU. We believe they will want to register those products, but we do not believe we can afford to give up access to those products and have an interim period of stagnation.

Q226 **Charlie Maynard:** Is there a trade-off here? I understand that we would really like this bit or that bit, and that it is very important for the oat sector to have this or that, but the EU is probably not going to be thinking in that level of granularity, given the super-tanker that it is. We have things such as the UK-EU common SPS area, the UK-EU customs zone and the single trade window. We are aligning that whole digital infrastructure together as much as possible. Those all reduce frictions. You are talking about little tweaks around this or that. I totally follow that



logic, but is it just that your sector is better off net-net?

Tom Bradshaw: No, it is not better off net-net. I think that there is a real danger here. The crop that is in the ground, which our members have already planted, will have been treated with plant protection products that are not registered in the EU. That crop does not leave the store—all of it—until after the potential hard realignment date of June 2027. There will be fungicides being used in April, May and June this year on that same crop.

There are some really difficult issues that need solutions. It is not as simple as saying, "There is a bit of give and you are going to end up in a better position". With gene editing, we can be world-leading if we get a carve-out for gene editing. We can drive inward investment.

Q227 **Charlie Maynard:** Switzerland has a carve-out for gene editing.

Tom Bradshaw: That is something that I would need to get back to you on.

Charlie Maynard: That would be helpful.

Q228 **Chair:** Mr Maynard is pushing you to help us understand the trade-off. We have heard about the collateral damage of the current arrangements. You have sketched out the prize of some carve-outs on gene editing and other things. To the EU, that will look like cherry-picking. It may not be a deal that can land. Just give us a sense of where you think the landing zone is for a deal that preserves the advantages that you want but allows us to deal with the crazy red tape that we have heard about today.

Tom Bradshaw: It is in the EU's interest for us to have a gene editing carve-out. They want to adopt the technology, but they are behind us. We all know that things can take 10 years in the EU if there is nothing to create momentum. If we get a carve-out, they will move much more quickly and probably adopt the technology in two to three years. If we put the handbrake on, we may be still talking about this in seven, eight or 10 years' time, and nobody will have benefited from the technology.

There is real merit in actually keeping the foot on the accelerator and putting the pressure on the EU to adopt where they want to align technologically. It is the same with plant protection products. They have a registration system in the EU, but it is not working at the moment. We are going to rejoin that registration system. If we are not very careful, we will end up with a registration system for plant protection products that simply does not function properly. It is not in this country's interest to end up stifling development and the production of safe and affordable food for the country.

There are some wins here. We have to push pretty hard in our negotiating mandate. This is worth us sticking out for some give from the EU and not rolling over at the first opportunity. Those are two areas



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where we need to be pretty robust in saying, “No, we need carve-outs and transitions for those two particular areas”.

That lost trade of 34% is not going to come back the following year just because we suddenly reduce friction. It is going to be hard to build back that trade, because they have replaced it from somewhere else. We cannot go into this on the assumption that, just because we have reduced friction, that trade is automatically going to come back. It is going to take time and people on the ground to get that trade back.

Chair: That point is well made.

Q229 **Alison Griffiths:** I am slightly conscious of the time, but to address the issues that each of you currently faces in your organisations or sectors, what are your preferred options for making improvements to the UK-EU relationship? Perhaps I will start with Oriel. If we can keep it brief and focused, that would be great.

Oriel Petry: In addition to what I said earlier, one of the key things for us would be the recognition of certification. We have a clear example at the moment: we are trying to sell some helicopters. At the moment, the pilots need to have exactly the same training certified by the Civil Aviation Authority as well as EASA. It is a classic example. If the training is the same, there should be recognition between the two. Where our alignment is still there, there is an opportunity to recognise that alignment. I think that would really help.

From our point of view, there are some other things—you had some great illustrations in the earlier session—around customs forms. Our products have not changed since before we left the EU. Getting an agreement on the fact that these are the same products—we have gone from filling in 15 to 54 different bits—would be great.

Q230 **Chair:** Oriel, are you saying that you now have 54 different bits of paper to fill in?

Oriel Petry: In general, where we had to fill in 15 before, we are now filling in 54 bits of information because of some of the things that were identified. Even one tiny wing part can require four forms or four bits of information that it did not require before, even though the product has not changed. There is an opportunity, at a very practical and technical level, to make it easier.

You would expect me to say this, but for us it remains not straightforward to move people around. That is particularly for short-term working parties. We are not challenging, for instance, employment in Hamburg. We just need to backfill, particularly at moments of pressure. That would be another key one for us.

Matt Hinde: I would flag three things. First, we need an agreement on emissions trading linkage as soon as possible. Secondly, we would like targeted and relevant participation in the internal electricity market. The



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draft negotiating mandate makes it clear that this should be about the rules that are relevant to cross-border electricity trading and the associated issues.

Finally, there is something interesting in the draft mandate about the early engagement of the UK in the development of policy. In terms of the development of EU policy, it is clear that the sooner you are in the discussion, the more opportunity you have to influence. That is in advance of voting or anything like that. The draft negotiating mandate makes it clear that there would be the potential for the UK to rejoin some of the bodies there, perhaps as an observer, and to have a right to engage early with the development of that policy. That would be very positive.

Peter Brennan: I would share the observation on mutual exemptions to linkages. We need a mutual exemption to CBAM. That would both work as a trade policy and be more effective in terms of carbon leakage and directing the entire world towards a more climate-friendly outlook.

The other point is about quotas. We share a problem: we are both going to put in import quotas. It should not be beyond the wit of man to recognise that we are better off if we give each other favourable terms and conditions in our trade measures.

Tom Bradshaw: The only thing that I have not raised—I completely agree with what Matt said—is that we have to make sure that we are involved in the decision-shaping process. That influence is absolutely paramount. Making sure that we put our best people over there to influence the policy as it is being developed is going to be essential.

Q231 **Alison Griffiths:** Do you feel it is completely lacking at the moment?

Tom Bradshaw: We moved out of it for a very good reason. We have not had the ability to influence, so we are going to have to re-engage in the way that we used to do. We used to be very well respected for the role that we played in bringing a science and evidence-based opinion to policy development, but it does not come for nothing. We are going to have to invest in the people to create the influence on the ground, to make sure that we are not just a policy taker and that we can genuinely influence policy without a vote.

Q232 **Chair:** That is really useful. I have a final question. We are eight months into the reset. Has it made any tangible difference for you and your members today, Tom?

Tom Bradshaw: I don't think we can point to anything that is tangible yet.

Peter Brennan: There have been some small changes around quotas, but nothing dramatic. There are the beginnings of talking around linkages, but nothing final.



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Matt Hinde: There has been an improvement in terms of the atmospherics—certainly at a political level, but also, to an extent, at a working level. That means we have had improved access to some forums for the development of policy.

Q233 **Chair:** Has that had any bottom-line impact?

Matt Hinde: Not yet.

Oriel Petry: I would end on a slightly more upbeat note.

Chair: Thank you. It has been a world of pain so far.

Oriel Petry: Honestly, the point about politics should not be taken too lightly. Clearly, a business such as ours would like more. As I said earlier, the pact that we have gives us some access to SAFE-backed loans. The bilateral agreements really help when it comes to defence and aerospace. The conversations that need to be had need to be founded on that kind of attitude from the UK Government.

Chair: That has been incredibly helpful. Thank you very much indeed. As you know, the Committee is visiting Brussels very soon, and you have equipped us with much to talk about.