HOUSE OF COMMONS

Business and Trade Committee

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

Tuesday 13 January 2026

Ordered by the House of Commons to be published on 13 January 2026.

Watch the meeting

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 234 - 251

Witnesses

- Sean McGuire, Director, Europe and International, Confederation of British Industry;
- Paul Nowak, General Secretary, Trades Union Congress.

Examination of witnesses

Witnesses: Sean McGuire and Paul Nowak.

Q234 **Chair:** Welcome to this final panel in today's hearing on the reset with the European Union ahead of the Committee's visit to Brussels. Paul Nowak, general secretary of the TUC, thank you very much indeed for joining us and for being flexible and moving your diary around so that you could be with us today. Sean McGuire, thank you very much indeed for joining us too.

Paul, perhaps I could start with you. This is the 10th anniversary of the Brexit referendum. We are eight months into the reset. Has Brexit delivered what you think people voted for? Frankly, we have heard a world of pain from our witnesses today. I am looking at numbers from the trade deals that we have signed over the last 10 years. Those trade deals give us an estimated increase in GDP of about £14.5 billion, but we think the economic cost of Brexit is about £240 billion. We know that we are losing something like £250 million a day in tax revenue, and exports to the EU are down. We have heard that traders are filling in a million forms every nine days. We have red tape costs of £8.5 billion, prices are higher and steel is facing disastrous tariffs. People did not vote for this, did they?

Paul Nowak: I don't think they voted for economic self-harm. I cannot speak on behalf of all of the British public, because people voted for Brexit or for remain for very different reasons. Without a shadow of a doubt, the Brexit deal that we have at the moment is a bad deal for Britain. It is bad for our economy, and it is bad for the working people we represent. It is bad for those people who are working in firms that are directly impacted by some of the things that you have talked about, Chair, in terms of increased costs for businesses, increased form filling and more friction in supply chains.

It is also a bad deal for our members right across the public and private sectors. The Bank of England has estimated that the GDP hit is something like 6% to 8%. That has a direct impact on the money that is available to spend on our NHS, our schools and our other key public services. It has been a bad deal for Britain. If you think about the decline in trade, the added costs and the decline in investments, the reset starts to put things right, but we are still not in a place where the British public would want to be, and we are certainly not where unions want to be.

Q235 **Chair:** For the members in the trade unions that you bring together, what is the day-to-day material impact of a deal that is far less than perfect?

Paul Nowak: It is going to look different in different sectors. I sat in on the session that you just had with representatives from Airbus and steel. I spent a little bit of time at the end of last year with one of our large automotive employers and one of our steel employers, and they both talked about their concerns about Brexit and the direct impact on their business.

You have heard about the potential impact of increased tariffs and reduced quotas on steel. Introducing additional costs for employers has an impact not only on the day-to-day running of that business, but on long-term investment decisions. There will be some members who are very acutely impacted. Stellantis in Luton closed down, with the loss of 1,000 jobs. Brexit was not the only reason for that—the company made strategic decisions on things such as energy costs—but the type of Brexit deal that we have makes Britain a less attractive place to invest. As I say, the impacts will be felt right across the economy, including on our members in public services, because of the impact of Brexit on funding for those services.

Q236 **Chair:** Has the TUC done work on the day-to-day impact on living costs and affordability?

Paul Nowak: Over Christmas, we surveyed our members about how they are feeling about the economy. Four out of five workers generally feel that their economic circumstances are either stagnating or getting worse. One in three people who responded to our poll said that they were afraid to turn on the heating because of heating costs. You have heard about the impact of Brexit on domestic energy costs. One in five said they are skipping meals because they are worried about making ends meet.

The newspaper headlines are not dominated by the cost of living crisis and double-digit inflation in the way they were 12 or 18 months ago, but our members are still feeling the impact in supermarkets. We know food inflation has been higher than core inflation. We have only just started to see wages rise in real terms after the thick end of 14 or 15 years of effective wage stagnation.

The cost of living pressures are real. I would not pretend for one moment that they are all due to Brexit or to the type of Brexit deal that we have. There are a whole range of other issues, but no doubt Brexit has added to energy costs and to the cost of the weekly shop.

Q237 **Chair:** Sean, I was in a meeting before Christmas where somebody very senior in the CBI said, in his language, that there was a code red in the relationship between the UK and the EU. Tell us about the impact of today’s deal on your members. What are they telling you about how well things are going?

Sean McGuire: You mentioned that it is 10 years since the referendum. We have moved from frictionless trade to friction trade, even though the TCA is zero-tariff and zero-quota. Much of the concern that our members share with us is not necessarily about tariffs, although we can come on to that, or about steel. It is about regulation, regulatory divergence and the lack of regulatory co-operation between the UK and the EU.

You will have heard previous panels saying, "Even if our rules are identical, we have to conform with the EU and prove that our standards are identical, which requires additional paperwork". We represent all sectors, bar fisheries. If you multiply that across the whole economy, there is certainly a view that the Brexit deal that we have is better than no deal and moving to a WTO situation, which was advocated at the time. Even within the TCA, there are many limitations.

I should also say that the TCA is the groundwork for better co-operation going forward. One of the things that I would pick out is that, while it has been in force since 2021, the TCA is not operating at its maximum. It is not functioning at its maximum capacity. You heard in the first session about the lack of uniform application of the rules, the lack of transparency and the 27 member states taking slightly different approaches on customs. The fault is not just at the door of the UK; there is quite a significant piece of work that Brussels and member states need to do to fully implement the trade agreement.

That was perhaps some of the irritation behind what our chair said in that meeting, but there was also disappointment that SAFE fell through. The Airbus representative did mention that we can still operate on defence at 35% content capacity. What could have been on the table was 60% or 70%, which would have helped not just the larger defence companies, but those within the much wider defence ecosystem.

Chair: Let's get into some of the options for reform.

Q238 **Sonia Kumar:** Within the UK's red lines that we have set out, what tangible improvements can you see happening, realistically? Can you touch on some of the highly regulated sectors, like electronics and pharmaceuticals?

Sean McGuire: In what way?

Sonia Kumar: What tangible improvements can we have in the rules that we have currently? How can we maximise them?

Sean McGuire: We have been very clear—and certainly the Prime Minister has set this out—that a customs union, the single market and free movement are off the table. One of the big benefits that we can have in this area is more regulatory co-operation. We need more dialogue between regulators, so that they understand where both sides are going in their regulatory trajectory. Having some conversations and mechanisms for that regulatory co-operation will be important.

In terms of the reset, the areas that are certainly up for improvement are SPS and ETS, but one area where we are a little bit disappointed in the reset and in the common understanding is mobility, and particularly business travel. This underpins investment decisions across the board, not just in the UK but in the EU. Getting people in and out of each other's jurisdictions at short notice and visa-free is the important element.

Only through more improvements on business travel, and through reductions in the red tape on visas and costs, will we see the real benefits for some of those sectors, particularly pharmaceuticals and advanced manufacturing. Whether it is perception or reality, when a company in the UK goes to its European board—whether it is in Bavaria or Toulouse—and says, "Invest in the UK", the trigger that is in the mind of the board is, "It is hard to get my people in and out of there". That is a drag on investment.

Paul Nowak: I will take it in three stages, if I can. First of all, it is really important that the Government secures agreements on the commitments that were made in the EU-UK reset as soon as possible. There is a lot of talk about the SPS agreements, which are important in terms of UK farmers being able to export into Europe and for prices in the supermarkets. Two thirds of our food imports come from the European Union. When people are going through customs checks and standards checks, it is definitely a barrier. We have talked about steel and reaching agreements on steel, but getting agreements on CBAM, exempting UK businesses and finding ways around EU carbon taxes is really important.

I know the Government are committed to this, but we also need to remove the barriers for young people in the UK to go and live and work in Europe, and vice versa. We would like to see the Government go further than the understandings that they have already reached. Sean has talked about chemicals and pharmaceuticals. We have a particular set of concerns from people in the creative industries about removing barriers for touring artists.

Crucially, from a trade union perspective, we need to make sure that we strengthen the level playing field commitments between the UK and the EU on things like workers' rights. The UK took a really important step forward with the passing of the Employment Rights Bill at the end of last year, but we are very keen for there to be dynamic alignment between the EU and the UK on employment rights.

We think there is scope for the Government to think beyond its red lines. The Prime Minister has been very clear. I am not wedded, and the TUC certainly is not wedded, to things like a customs union, but we want to see the most positive and closest economic relationship that we can have with Europe as part of a broader political relationship with Europe.

The events on the other side of the Atlantic over the last 12 months point to the need for us to have a good relationship with our largest trading partner. As somebody who has been involved in lots of negotiations, albeit different types of negotiations, I am always a little bit wary about public red lines, because you sometimes need a little bit of flex. We should be focused on outcomes. We want what is best for British businesses, British workers and British consumers. It is really important that we develop the strongest possible relationship we can with Europe. The reset gives us a good starting point, but there is much more to do.

Q239 **Charlie Maynard:** Paul, what you said over the Christmas period was really useful. As you just expanded on, a customs union could help the UK to do better. I completely agree. Keir Starmer responded, perhaps to your comment, by saying, "Customs union not so much, maybe single market." Given the concept of doing better for UK services, goods and capital by being inside those markets, are those things that you would instinctively say yes to? Of course, there is also labour. What are your thoughts on those four?

Paul Nowak: As I said, I want the closest possible relationship. The British public are not currently talking about a return to full mobility right across the European Union. The business travel that Sean talked about, and the opportunities for young people that I talked about earlier, are definitely things that the British public would support. They want to see the closest possible relationship.

The Chair mentioned the relative value of the different trade agreements that the UK struck after Brexit. I was part of the previous Government's strategic trade advisory group. Sometimes it felt like the approach to trade agreements was, "Pile them high and sell them cheap". They had very little value to the UK economy. The UK is now part of CPTPP, for example. We had some concerns about what that means in terms of countries such as Vietnam, which do not have independent trade union movements, respect for workers' rights and so on.

Europe is our largest trading partner. This is our most important economic relationship. It is important economically, but it is important politically as well. We are living in an increasingly volatile and, let's be honest, dangerous world. SAFE is an important part of the defence landscape in Europe, but it is not the whole picture when it comes to defence. Those close relationships are absolutely vital.

Q240 **Charlie Maynard:** Labour is a separate conversation, but if we had goods, capital and services—it takes two to tango; I get that—would that be something to which you would instinctively say, "That sounds good, because it worked before"?

Paul Nowak: I do not have one model in mind. You need to be fixed on what is going to deliver the best outcome for the British people.

Q241 **Sarah Edwards:** We have just heard that there is a lot of red tape and there are quite a number of red stamps. We now have red lines and negotiations. We have a patchwork of product regulations and requirements that, quite frankly, we need to smooth out somehow.

We have conformity assessments being called for by Make UK and the British Chamber of Commerce. There is some talk about this Pan-Euro-Mediterranean Convention on Rules of Origin, also known as PEM, which basically harmonises the trading rules. We have some potential options, but it does not sound like the EU is particularly keen on some of them. Do you have thoughts on that, or alternatives that you would like to see? What are the options that we have for closer alignment?

Sean McGuire: I should say at the outset that we are a member of a European body called BusinessEurope, which represents 42 federations from 36 countries, so it is much wider than the EU. Before the summit, our CEO and the DG of BusinessEurope issued a joint op-ed in the *FT*, which addressed many of these issues, including CBAM, mobility and regulatory co-operation.

The European and UK business communities are aligned in the need to reduce the friction and the cost of doing business, because it is harming both of us at a time when the whole global order is on its head, as Paul mentioned. Europe is chasing competitiveness and growth, and the UK is chasing competitiveness and growth. From a business perspective, a divided continent is not in our interest, but there is politics here. To refer to a previous question, it does take two to tango. Red lines on the UK side put red lines on the EU side as well, because we have heard it all before: cherry-picking; you can't have your cake and eat it; cakeism. I have heard them all. We need to look at what we can do bottom up, and build up.

The reset is a starting point. Again, we should not underestimate the atmospherics and the fact that they are talking. That is important. Getting quick delivery on ETS linkage, CBAM, SPS and alignment should create the trust that we can go much further and faster, and that we are trusted partners in a whole range of areas. I mentioned chemicals and REACH. There are many other areas where we could dynamically align and where it is in the UK's national interest to dynamically align. That is the starting point.

With regards to PEM, everyone became an expert in PEM overnight. It is a complex convention in its own right. It does solve some of the problems for some of our companies in the UK, if your supply chains are part of the PEM convention countries. It does not solve all problems, but it is another tool in the arsenal that can help reduce the burdens, or the restrictions and rules of origin, and the access to supply chains. These are all potentials, but they are no knight in shining armour that is just going to resolve all of the problems.

We are a third country. Listening to the previous panel discussion around steel, we think we are like-minded with the EU. Yes, we are a close neighbour, and yes, we share a lot of principles, but under global trading rules we are a third country—the same as China. We have to be alive to that unless we move to other models, which I do not have a mandate as the CBI to go in on today. We have kicked the tyres on all of these in referendum run-ups: Switzerland, customs union, the Turkey model. All have their advantages, but all of them have their drawbacks as well. There is no silver bullet here, but there is a building mechanism with the reset to go much further and to go the extra mile. We have done this, and it has worked well. Let's move forward.

Paul Nowak: Normally, when I hear people rail against red tape, I roll my eyes, because it just means that what we want to do is deregulation, but there is a very real set of issues here. Those customs declarations are costing British business something like £7.5 billion a year. That is a problem, so we need action in that area. We would be supportive of the position taken by Make UK and the Chambers of Commerce on conformity assessments. We would be supportive of mutual recognition of professional qualifications.

I will correct Sean: not everybody became an expert on PEM, particularly me. It is something that the TUC does not have a position on, but we are looking. We think that it could be modest, but in some sectors it could have an impact.

You raised an important question about what the appetite is like on the other side of the channel. If we are honest, a Labour Government was elected with a huge majority in July 2024. On the other side of the channel, you could see people thinking, "This is who we are going to be doing business with over the next 10 years". Our politics is incredibly volatile. If I was on the other side of the channel and looking at the prospect of Nigel Farage leading the polls, I would be like, "This is a difficult enough relationship to navigate at the moment, without the added political complexity thrown up by that".

One way to give real assurance to partners on both sides of the channel is by using the existing social partnership framework. For example, Sean is the vice chair of the domestic advisory group that brings together the TUC unions, employers and civil society organisations here in the UK, but also in Europe, to provide advice and commentary on the application of the TCA and to talk to the Government about what more can be done.

For example, we have a joint statement with our European counterpart about what is good for European workers and what is good for British workers. Dynamic alignments on employment rights is something that we support. Increased labour mobility is something that is supported on both sides of the channel, as well as opportunities for young people.

Using non-governmental avenues is also important, because this is about winning hearts and minds. You need to demonstrate to businesses, to trade unions, to the people we represent in workplaces and to consumers that this is not about just political stitch-ups; this is about what is good for people on both sides of the channel.

Q242 **Justin Madders:** I just want to delve a little deeper into the rules of origin, particularly on automotive. You may be aware that the temporary arrangements come to an end at the start of next year. My understanding is that that is going to be hugely problematic, particularly in terms of EV batteries. If those rules come in as currently intended, what do you think that will mean for both sides of the divide?

Sean McGuire: You are correct: it was extended until 2027 in the last-minute deal over 12 months ago. It was a stay of execution. We firmly believe that they need to revisit this, because if the EU is serious about meeting its emissions targets—and, indeed, if the UK is serious about meeting its emissions targets—then we need collaboration in this area. This is a potential win-win for both economies.

Maybe this is the appropriate moment to introduce the conversations that are happening in Brussels and in member states in response to the change of the global order post Trump's introduction of tariffs. The EU is looking at how it deals with a very aggressive China and a more unpredictable US. It has become much more inward-looking in its thoughts, and much more protectionist, in the past 12 months than it has ever been.

Language that would have been used 10 years ago by a minority of nationalities has become almost the language of Brussels. That is, "European preference. Made in Europe", which really means, "Made in the EU". At the end of this month, we will see a new proposal from the Commission that will have these European preferences littered through it. While we talk about batteries, net zero and rules of origin, there is now a bigger game in town that this Government needs to be alive to. All the wonderful things that have come out of the common understanding on ETS, SPS and Erasmus could mean very little if the EU pursues a much more protectionist approach that is inward-looking.

Q243 **Chair:** But this could be an opportunity. If we decided to align on RESourceEU, anti-coercion instruments, supply chain security or critical minerals integrity, we could construct something like an economic security union, which would actually be a win-win for the European Union if it is worried about the 15th five-year plan from China that is imminent and whatever is going to happen in the White House next week.

Sean McGuire: In theory, yes, but when you look at particular pieces of legislation that are going to be renewed, particularly around public procurement, it is very clear that it is the EU27. We could have all these things, but that is the bigger threat. While we would want an extension on rules of origin, if the EU is serious about this approach and does not think of including the UK within that ecosystem, there is a big challenge for growth for both of us. It is not in any sector's interest to have a division between the EU27 and the UK, because our supply chains are so intertwined.

Paul Nowak: You raised a specific point about automotive, Justin. I know you will know more than me that this is a specific concern that Unite has about the UK automotive industry, partly because, where we are producing EVs in the UK, quite often they are dependent on Chinese batteries at the moment. Obviously, we want to build domestic capability and capacity around batteries, but that is where we are at the moment. Obviously, a formal customs union would remove those issues around rules of origin. As I say, I am not particularly wedded to one particular model. The UK is important enough and significant enough in terms of our economic footprint that you would want something bespoke, but it is certainly a concern that our unions have relayed to us.

Q244 **Justin Madders:** Do you get a sense from this Government that there is any sense of urgency in the imperative to sort this out? Obviously, investment decisions are taken over much longer timeframes than we are talking about.

Paul Nowak: I would hope that there is. The UK automotive industry is an incredibly important employer in this country, not just in terms of those who are directly employed in the industry but in terms of supply chains. We want to be at the cutting edge of EV battery technology and EV technology more broadly.

Yes, I would hope the Government see the urgency. I know they definitely see the urgency around the issues that you talked about earlier in relation to steel. Again, I would not want to claim that all of the issues facing the UK steel industry link back to the EU, because there are other issues, including the cost of industrial energy, the ownership of UK steel companies and some of the strategic decisions taken by those owners. But the Community union described those tariffs as an existential threat to steel, and I take that seriously.

Q245 **John Cooper:** Paul, you mentioned mutual recognition of professional qualifications. The Law Society of England and Wales could not be clearer that the Government dropped the ball on this. It said that the Government did not deliver on their manifesto commitment to improve MRPQ provisions in the services sector. Nothing of any great meaning seems to have happened this year. What are we going to do about this? The TCA arrangements at the moment seem unfit for purpose. Is this something that needs to be urgently revisited for the services sector?

Paul Nowak: We are very clear that we do want to see mutual recognition of those professional qualifications, whether it is for lawyers or for professionals in education and health. The thought of having to deal with 27 different regulatory regimes if you want to live and work abroad would fill anybody with dread. We are very keen for the Government to reach a mutual agreement with the EU, and also to combine that with some of the stuff that I talked about earlier in terms of increased mobility provision, so that it is easier for people to travel and to work, particularly for short-term business needs in the EU. We have already talked about increased youth mobility; again, that is something that we would be very supportive of.

Q246 **John Cooper:** Sean, you were nodding there.

Sean McGuire: I think we need to be clear here, because sometimes it can be too easy to point the finger of blame at one side or the other. Maybe I will point the finger of blame, but it is not at the UK on this occasion. We have seen a proposal put forward on architects, and the EU voted it down because we required architects to undertake an additional test after the Grenfell disaster. It was seen as imbalanced, even though the two bodies in the EU and the UK said it was fair.

I will go on record as saying that the EU is lukewarm—if that is even the temperature that it is—to mutual recognition of professional qualifications. It is also lukewarm to mutual recognition of conformity assessment. It says that this is a UK demand. Actually, we have made it very clear that it is in the interests of the EU and the UK to move forward in some of these areas.

This is where I would slightly take issue with the idea that it is the UK's fault. It takes two to tango, but the EU has been very lukewarm in raising up the mutual recognition. As you will see in the common understanding, there is a sentence on mutual recognition of professional qualifications and dedicated dialogue.

Q247 **John Cooper:** That protects us from what you are talking about from Europe.

Sean McGuire: Yes. I agree with Paul: mutual recognition of professional qualifications is limited in its benefit if it does not come with mobility. I might recognise your professional qualifications, but you still cannot come and work.

Dan Aldridge: To what extent is closer EU alignment compatible with the UK's independent trade policy, which we have heard so much about over the past year? What should be prioritised, if anything?

Q248 **Chair:** This is an area that we are going to do quite a lot of work on this year. Now that the UK has signed, or almost signed, most of the trade deals that are probably available, how do we now tessellate those with a different and deeper relationship with the EU?

Sean McGuire: With every trade deal, you pool sovereignty. That is an important starting point. In terms of alignment and dynamic alignment, this is where we see the quick wins going forward, rather than pursuing single market access or a customs union. The customs union has given us advantages as we negotiated with the US. We have a lower tariff with the US than with the EU.

We would not nail our colours to a single market or customs union just yet, but dynamic alignment and alignment, where it is in the economic interest of the UK, makes sense. It makes sense for our businesses, because if the rules are the same in the UK as they are in the EU27, and therefore I do not need extra bureaucracy and administrative costs, it is a saving that can be pulled back into companies to meet the green transition and the digital transition, and to improve living standards.

Q249 **Chair:** Can we be clear yet about the range of industries where that would make overall sense? This time last year we were not quite clear, but maybe we are clearer 12 months on.

Sean McGuire: We think it is the areas that are more in that old traditional goods and manufacturing sector. It is also services, to a lesser extent, and particularly in the area of AI, where the UK has gone with a different approach to the EU, which is pretty draconian. As for new industries, let's not align just yet. For old traditional manufacturing goods and the provision of goods, it makes sense.

Paul Nowak: I would go back to, "What is the point of trade agreements?" We want trade agreements that are going to support British businesses and good-quality jobs here in the UK. The Chair made the point right at the outset about the difference in terms of the economic value of the separate trade agreements that we now have—not to downplay those—compared with the potential benefits of a stronger, closer relationship with Europe. They are on a completely different scale.

Nobody quite knows what a customs union-type arrangement might look like. I do not think most people think it is just going to be a straight, "Here's the customs union." Thinking about how the UK would be able to influence the EU's external tariffs, and about what mechanisms you might put in place to do that, would be important. But I have no doubt at all that the interests of the people we represent are best served by the closest possible trading relationship that we can have with the European Union. We would need to work through some of those issues, in terms of the separate agreements that we have already signed, in light of that.

Q250 **Chair:** What would your instruction to Ministers be? We have a summit coming up at some point. We do not quite know when that will be. The UK wants it earlier, and the EU perhaps wants it a bit later. What are your messages to Government and to Ministers to crack on with?

Paul Nowak: The Government are absolutely moving in the right direction. I would urge them to be ambitious and to think about outcomes. For me, the outcomes are, "What are the best possible arrangements to make sure that British firms are successful and that the people who are employed in those firms have good-quality employment?" Some of the sectors that are most affected, which we have been talking about in terms of being impacted by those customs arrangements, are some of the most productive parts of our economy. We talked about automotive, steel, aerospace and chemicals, for example.

I would also encourage them to use those social partners—trade unions and others—because we are talking directly to our counterparts in Europe. We want a set of relationships that works for workers in Europe, but on our side of the channel as well, so they should use those social partners.

Sean McGuire: I very much echo what Paul said. It is about speed and being ambitious on SPS and ETS. These are the first tests. I would go further on two things. Yes, we should engage with stakeholders and businesses large and small—not just those that you talk to most of the time—but also with the devolved Administrations, because this is going to be vital. For SPS agreement, some of the responsibilities—quite a few of them—will be devolved responsibilities, so we should involve the devolved Administrations as well. Do stick to the principles, because negotiating with the EU27 is going to be difficult, but it is in their interest to work with the UK, given that the US is no longer a reliable partner.

Q251 **Chair:** Do you think that there is an opportunity to accelerate talks, given the uncertainty that now bedevils that relationship with the White House?

Sean McGuire: If you look to the statement of Commissioner Šefčovič and Minister Thomas-Symonds at the end of the year, the fact that they want to have something substantive on SPS and ETS by this summer shows the indications that we want to move at pace on this.

Paul Nowak: Chair, one final plea is that the Government need to talk about what impact this has on real people, real families and their household incomes. People need to know the impact of the bad Brexit deal on their supermarket shop and on their energy bills. Talk about it in those terms, because this is going to be something where you need to win people's hearts and minds. It is not just about the technical negotiations.

Chair: That is an excellent point on which to conclude. Thank you very much indeed for such clear and candid evidence, and for setting us up so well for our conversations in Brussels a bit later on this month.