

Business and Trade Committee

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

Tuesday 10 February 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; Matt Western.

Science, Innovation and Technology Committee member present: Martin Wrigley.

Questions 252 - 283

Witnesses

- Duncan Edwards, CEO, BritishAmerican Business;
- Russell Codling, Director of Markets Business Development, Tata Steel UK;
- Dr Richard Torbett, CEO, Association of the British Pharmaceutical Industry;
- Dr Scott Steedman, Director of Standards, British Standards Institution.

Examination of witnesses

Witnesses: Duncan Edwards, Russell Codling, Dr Richard Torbett and Dr Scott Steedman.

Chair: Welcome to today's hearings of the Business and Trade Committee as we continue our stocktake of the trade relationship between the United States and the UK. Thank you very much indeed to our witnesses for joining us. Could you say a word of introduction just so we know who is who? We will attempt to bring in Duncan Edwards from BritishAmerican Business as well.

Dr Steedman: Thank you, Chair, and good afternoon, everybody. I am director general of standards at BSI, responsible for the national standards body and all national standards used by business in the UK, almost all of which are international standards.

Dr Torbett: Good afternoon, Chair, and everybody. I am chief executive of the Association of the British Pharmaceutical Industry.

Russell Codling: Good afternoon, Chair, and thank you very much for inviting me back to speak to the Committee. I am commercial director for Tata Steel in the UK.

Q252 **Chair:** Thank you. Russell, perhaps we could kick off with you? Just give us an overview, as we understand it today, based on whatever the last tweet might have been, of what agreements are actually in place for UK-US trade?

Russell Codling: The US Administration has chosen to take an action against imports into the US, fundamentally because of global oversupply of steel. In fact, China has managed to achieve a record amount of exports this year, up to 119 million tonnes. The US has, after having applied approaches in the past on protecting its steel industry, applied a 50% import tariff on all steel products. Thanks to the Government's efforts in negotiating with the US, the UK steel industry has the benefit of a 25% tariff—rather than 50%—into the US.

Chair: Effectively, there is a quota in place under the terms of the economic prosperity deal.

Russell Codling: There is no quota; zero quota. It is just a blanket tariff. I can absolutely understand why the US has chosen to take a measure that protects the US steel industry. The US recognises the steel industry to be a critical strategic industry for the country, and it has decided it needs to take protections against imports and the oversupply globally. It has applied a 50% blanket tariff, not the quotas; there are no quotas in position.

In the negotiations with the UK Government, we have managed to achieve a 25% position for exports to the US. It is a position that many other countries around the world have also chosen to take. In fact, the



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EU has chosen to put in place a reduction in its import quotas—quotas as you rightly highlight—rather than the total tariff position. It intends to apply a 50% tariff, over and above the quotas it proposes, to put in place from 1 July.

Similarly, many other countries around the world have taken action in that manner, including Canada, Mexico, Brazil and South Africa. To date, while the UK Government are working very hard on this, we are not in a position to protect the UK industry, and that is putting the UK steel industry at severe threat. In fact, the historical safeguard position, put in place after the section 232 position of the first President Trump Administration, expires at the end of June this year, exposing the UK steel industry to the full force of that global oversupply around the world. Frankly speaking, the UK Government have two months in which to save the UK steel industry because this is a death knell for the industry at large, and all its supply chains.

Chair: We are going to ask a number of follow-up questions on that front, but at the moment, you are reasonably clear about what the deal is between the US and the UK. We might not like it, but we know what it is, and it sounds like it is reasonably stable.

Russell Codling: It is stable, albeit in the recent negotiations on Greenland, there were again threats that played out. Our customers, while pleased to see some stability, are still very nervous about potential changes that can be deployed. Broadly speaking, we are in a stable position, having reached the agreement between the UK and the US.

Q253 **Chair:** Dr Torbett, what is your take on the state of the deal at the moment?

Dr Torbett: For context, pharmaceuticals is the largest goods exporting sector to the US; 17% of our goods exports are pharmaceuticals. As a result of the economic prosperity deal, there are zero tariffs for the next three years for pharmaceuticals, which is very welcome. That was agreed as part of a package signed at the back end of last year, including some commitments from the British Government on the pharmaceutical market in the UK, which were very welcome. These were commitments that UK industry had sought for some time from the UK Government, and we think that they are very much in the interests of British patients and the British economy. For the moment, the trading position is stable for the next three years.

Dr Steedman: I cannot comment on tariff policy, but we are very concerned about the aggressive demands from the United States on the UK Government to extract concessions in other areas that will be very disruptive and potentially catastrophic for the UK domestic economy. A particular example of that around non-tariff barriers is the concession that the Government made in May last year to agree to discuss the basis for determining international standard. It sounds a little academic, and perhaps a little technical, but it is extremely serious because it is the key



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to the integrity of the United Kingdom's internal market, to our trade with Europe and indeed to our partnerships in co-operation with the rest of the world. We need to be very careful about how that works. Any concession made at this point on the definition of international standard would have very serious consequences.

Q254 Charlie Maynard: Dr Steedman, I am going to focus on you primarily because I think the other two have some potential conflict: one is in charge of a trade association and the other is a key exporter, so it is difficult to speak too openly about the Trump situation. Just to give the example of Greenland: on 17 January this year, Trump said, "We're going to put a 10% tariff and, if I don't get Greenland by June, it's a 25% tariff." Try to give a sense of what damage that does to us as a trading nation. While I take the point that it is on the UK Government to do this, who is the aggressor that is causing this trouble? I am not sure it is the UK causing trouble. We have to live with it, I get that, but please give a flavour as to what you are seeing.

Dr Steedman: From a standards perspective, it is a bit like a boxer jabbing their left fist in your face, and they are just going to hit you with the right hand and knock you out. There is a very serious issue here that, by pushing and pushing on tariffs, the Government end up conceding on definitions of standards. The reason that that is so damaging is because it is a completely incompatible system in the US between the standards system used to support regulatory policy in the US and the standards system used in the UK and the rest of Europe. These are incompatible systems. Being able to say, "Well, it's okay, our standards are about the same as your standards," is unnecessary and very risky. That is the piece we are extremely worried about: that the whole tariff conversation is actually a conversation about seeking other concessions that would be very damaging in the long term.

Q255 Charlie Maynard: Sticking with that, what would be your countermeasure or your strategy to mitigate or manage that as best as possible if you were the UK Government?

Dr Steedman: We have muddled along very successfully with the United States on standards for a very long time. It is one country in the world that stands out differently in terms of its use of standards to support market regulation; it is quite different to anywhere else in the world. We have muddled along with that system; we have worked with it on WTO principles, within ISO—International Standards Organisation—and the International Electrotechnical Commission, very successfully for a long time. The way that standards are used in the United Kingdom for the vast majority of business supporting industry is as a coherent, straightforward, simple system with the withdrawal of national standards that conflict and the adoption of international standards. That is completely different to the federal, state and local-level regulation that happens in the US. These are incompatible systems. For the UK to inadvertently or deliberately concede on what sounds like an academic point would open up the fragmentation of the UK market. It would create



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immediate problems with Europe. There would be a hard border in Northern Ireland. We would be excluded from the influence of European standards because that commitment to having multiple standards supporting UK regulation would not be tenable with the system that we have today, so it is a big, high risk.

Q256 **Charlie Maynard:** How clear and present is this threat?

Dr Steedman: It is immediate. It was immediate in May last year, but there was only the concession to talk about it. It is now immediate because it could happen at any time.

Q257 **Chair:** Russell and Richard, do you want to add anything on standards?

Dr Torbett: Not particularly on standards, no.

Russell Codling: No.

Q258 **Justin Madders:** The UK Government talk about having “hard-headed economic diplomacy” and not being put in a position where they want to choose to put all their eggs in the EU, the US or the China basket. How realistic is that, and how do you think that is going? Scott, it probably leads on from the previous answer you gave.

Dr Steedman: It is very realistic. Today, you will see India leaning into the international system. Modi’s proposals have done that. India is very assertive in the international standard system in ISO and IEC. Similarly, China is leaning into the international system. We have built a relationship with the Chinese Government and the Standardization Administration of China for years. It is very committed to this international system of one country, one vote. If you look at the shifting trade patterns around Mercosur, the Gulf, Africa, ASEAN and Asia, it is all around the use of the same international standard. There is no reason that we cannot bridge it all, as we have done very successfully. The US is a permanent member of the ISO governance, as is the UK, and I pay the same subscription as the US does to that system. All we have to do is use international standards in that system. If the Americans participate, then that would be much easier.

Dr Torbett: As a very heavily regulated and global industry, I would strongly endorse what we have just heard from Scott about the importance of international coherence in standards. Beyond that, where there are broader regulatory issues, certainly the more global convergence our industry seeks around the highest possible standards, the better. In this context, pharmaceuticals happens to be an area where what needed to be done to secure that low or zero-tariff environment happened to be very squarely in this country’s interests as well. That alignment of interest helped get a stable trading outcome, which may or may not be possible in some areas represented around the table.

Q259 **Justin Madders:** Is that just a happy coincidence, or was there any design behind it?



Dr Torbett: It is about clearly aligned interests. We had a problem with access to medicines in this country. We have a problem with the competitiveness of our industry from an investment perspective. Actually, correcting those for our own purposes happened to help with the trading environment. If only we had that aligned interest perhaps in other sectors and other contexts, is what I am saying.

Russell Codling: Standards are clearly very important in the steel industry to make sure we are producing the right products at the right quality levels. The benefit we have as a producer in the UK is that we operate to the highest standards and are able to offer products into the US using US standards, and into international marketplaces with international standards. The benefit of our starting point is that we are already at those high standards of expectation. That does not present us with a particular barrier in being able to export products or to trade anywhere in the world, so it is not a major issue in that respect.

Q260 **Chair:** Duncan, how realistic is it for the UK to pretend it can square a circle between regulatory requirements in the United States and in Europe while still prosecuting its interests in China? Are we going to start bumping into some hard corners fairly soon?

Duncan Edwards: Those triangulation issues are very challenging indeed. The US Administration and the agencies implementing trade policy believe they have a window in which they can effect change on behalf of the US. At the moment, they are trying to use that in the various negotiations that are going on with the UK and the EU. Certainly, there is an attempt to, I would say, stiffen the approach from the EU and the UK toward China on a whole host of things: economic national security, sanctions, tariffs, inbound and export, and outbound investment controls. A lot of that, of course, is aimed at China. It is going to be difficult to triangulate for the UK at the moment.

Q261 **Justin Madders:** Are there particular sectors that are more vulnerable to this tension than others?

Duncan Edwards: There will be better experts than me as a generalist. I think future-facing industries will inevitably be the ones that are most challenged: critical minerals-based industries, tech-based industries and future energy provision. Although in that case, I guess, the lesson from what happened with civil nuclear power and the transfer of technological knowledge from the US to China—at least this is how the US would see it—is that that horse has bolted. I suspect what is going to happen is those future-facing industries where technology is going to be key will be the ones where the challenge is greatest.

Q262 **Antonia Bance:** Mr Codling, I think in your opening statement you talked about the difficulties posed to the UK steel industry by the US tariffs, the changes in tariff rates proposed by the European Union and the end of the UK steel safeguards. Which of those is the biggest threat to the UK steel industry? What actions do you want to see the UK



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Government take when they finally publish the steel strategy, we hope, in the coming weeks and months?

Russell Codling: It all emanates from the same source: the global oversupply in the steel industry. We have just seen a record level of steel exports from China this year; I think it was 119 million tonnes. To put those 119 million tonnes into context, the whole of the US consumes 90 million tonnes, so it is way above that consumption. The whole of Europe's consumption is 140 million tonnes, so it is nearly the same amount as the whole of Europe, including the UK's consumption of steel. It is an inordinate amount of material, massively distorting the global steel industry.

The US has chosen to act. The EU has proposed to act; in fact, it has legislation going through the European Parliament in the coming days. It is choosing to put a 50% tariff in place on half of its quota system. Many other countries in the world are doing the same; Canada is on the list I gave you earlier. In the UK, we are still processing it and have not really made an announcement yet. We risk over-analysing, over-assessing and ending up with something that does not deliver against the goal of protecting an industry. I would say it is the last bite of that industry because there is no steel company in the UK that is really making any form of a profit. They are all teetering on the edge and just about being able to maintain their position. That is not going to last much longer.

It is all a fundamental because it is the same issue that is driving the US, the EU and every other country to act this way. If the UK does not act, we will not have a steel industry in not many months from now. After July, as you rightly say, the safeguards come to an end. They are ineffective in their own right; they were designed around a period when the steel markets were substantively larger than they are today. We need action. We need action now and, fundamentally, it needs to be in position by 1 July. Therefore, we only have eight weeks in which to act. This is the last call.

Q263 **Chair:** Are you saying we basically have eight weeks to save the British steel industry?

Russell Codling: I know it sounds a radical statement to make, but we really are there. If we need to act by 1 July, then we need announcements. The market needs to be able to understand what is happening, and it does not. No announcements have been made as yet.

Q264 **Antonia Bance:** Building on that, what action do you want to see? Should we be massively expanding the domestic demand for UK-produced steel? Should we take action on our own tariffs, on the barriers we may put up to trade with the rest of the world? What would Tata like to see?

Russell Codling: I cannot see any other option than to put a tariff regime into the UK. We need to halve the quotas that are in position as they stand at the moment. The UK needs to take similar levels of



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sweeping action in the way in which the EU and the US are choosing to take. Otherwise, we are just left exposed as the dumping ground of the world for that excess amount of steel. We will not have a steel industry left to be able to respond to any of that demand we have in the UK. We have a huge amount of demand for the future. We have requirements on infrastructure, energy infrastructure and buildings. We have to get the economy going in the UK. The manufacturing sector presents a huge amount of opportunity to do that, but we are in a different world than we have ever been in the past. Things have changed and, generally speaking, I do not like the concepts around operating with quotas and trade barriers. Realistically, that is not how things work positively, but we have no option but to act in that way. Otherwise, we will have to look at how we respond in our own cost base, which will impact communities and our downstream assets across the country.

Q265 **Antonia Bance:** Is there a reasonable possibility that we could get some movement on the EU tariff regime before July?

Russell Codling: I am starting with the UK because it is in the gift of the UK Government to act. In volume terms, the EU exports twice as much to the UK as the UK exports to the EU. Therefore, the EU has more to lose in some kind of negotiation between the UK and the EU. I would suggest that that leverage and that close working relationship and interoperability of the steel industry flows—obviously because we used to be part of the EU—need to be part of that negotiation. Obviously, we need to maintain and retain the favourable position we have with the US. But that is only a small part. The fundamental part is to protect the UK, to make sure that we have the right quota system arrangements negotiated with the EU and then stabilise the demand. We have a bright future if we get our act together.

Q266 **Chair:** Do Ministers get the urgency of this?

Russell Codling: I believe they do. We are not sitting quietly. We are clearly engaging with DBT and the Ministers associated with it. They absolutely understand the issue. I am not quite sure why we are not acting quite as fast as we need to, but time is running out.

Chair: That is a question we will put to Ministers in that case.

Q267 **Dan Aldridge:** Scott, I have a question relating to British standards and what changes the US is looking for. Could you give a bit more detail on what the impact could be for the UK? I feel like standards have a bit of a PR problem and people do not take them as seriously as they should. It would be really helpful if you could give some more detail about what the tangible issues are.

Dr Steedman: The real issue is that in the United Kingdom we have built a very pro-innovation, light regulatory model based on a very simple, straightforward, coherent suite of national, British standards. Over decades we have changed them out for international standards. In fact, we are a global leader in shaping international business standards. BSI



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manages that process on behalf of the nation. About 14,000 people participate in the writing of BSI standards. It produces standards that are then adopted globally, including in the UK as British standards, and we withdraw any conflicting standards. From a consumer, market surveillance or UK internal market perspective, it is the same standards. Whether you are building a house in Scotland or in England, it is the same product standards even if the regulations are different. It is a very simple, straightforward system.

In the US, it is a very different model with private interest standards development organisations, or SDOs, that are US-domiciled. They make standards that are used internationally—there is no doubt about that—but they are made by industries for industries and they have a specific purpose in driving US industries domestically, primarily, and, of course, globally. You can see various examples of where those challenges arise, most recently in the Gulf states.

The system of the use of standards by the authorities and Governments at federal, state and even local level in the US is very different to the UK, where we have a coherent system with a light touch. The Department for Business and Trade has policy responsibility for the use of standards in the United Kingdom and different Departments hold their own standards, but only a small proportion of British standards are actually used to support market regulation. The rest is by industry for industry, and we move, adapt, change and publish them as fast as industry wants them changed.

In the US, however, the system is quite different. The SDOs—standards development organisations—put forward their private industry standards into regulation to be incorporated by reference, so they become mandatory at federal, state and even local level. That creates the kind of business environment that exists in the US, and I am sure there are experts who will explain that, but it is very difficult to navigate for an outside company trying to trade into the US. It all hinges on this definition of international standard as set out in the principles of the WTO that we follow in the UK, because that is all about national stakeholder representation. Through BSI, UK-based experts participate in the international standards system—ISO and IEC—and we all co-operatively agree on that standard. It is adopted in China, India and the UK, but not so much in the US. It does not adopt the standards, although it participates. Then, should the UK Government choose to use that standard, they can do so. It is a very simple, coherent structure.

However, if the definition of international standard were extended to include the private interest organisations in the US, which has been a source of some contention for many years and, as I said earlier, we have all muddled along by not probing that too deeply, then there is a massive risk that regulators in the UK would lose control over which standards they were going to use in the United Kingdom. That is because a US SDO might say, “Well, hang on. You’ve declared my standards international



standard, and your standards are international standard, so why don't you use this standard, either in place of or as well as?" The minute you move down that path, you fragment the UK market very quickly. You lead to a breach of the European TCA, the fragmentation and loss of control by regulators, and the loss of interoperability of standards that exist today. For example, fire safety standards in the US are built for a different type of construction to fire safety standards in the UK. If you ended up with a multiple standards model in the UK—

Chair: Dr Steedman, we are trying to get to the problem that Parliament needs to solve.

Dr Steedman: The problem is to stand fast. While there are lots of opportunities, Chair, for co-operating with the US SDOs, which we do on a regular daily basis and they participate in the international system, Parliament needs to stand firm and not make any concession on the definition of international standard that would open up—

Q268 **Chair:** Is your argument that that posture is under severe pressure right now?

Dr Steedman: It is under severe pressure, Chair.

Q269 **Chair:** What is the price if we get it wrong?

Dr Steedman: There would be fragmentation of the United Kingdom internal market and the breakdown in trading with the European Union. I do not just mean the European Union, but the entire rest of Europe because the European region operates in the same way. There would be loss of regulatory control over which standards our own regulators could choose to use to support regulation and, indeed, no reciprocity. So, absolutely nothing in return for that.

Chair: Thank you for that summary.

Dr Steedman: We would be expelled from the international system.

Q270 **Sonia Kumar:** Dr Torbett, has the UK gained more than it has conceded by the US pharmaceutical deal?

Dr Torbett: Yes, I certainly hope so, and I hope that will grow over time. The two problems that we believe needed to be solved and which have been a challenge for a long time have been down to the underinvestment in medicines in this country, which on the one hand has held back access to medicines for NHS patients in some cases, and on the other, it has acted as a break on investment. We have been the largest investor in private R&D in this country at around £9 billion and we export about £26 billion from this country. We are a significant sector, but we have lost share in R&D over the last 10 years—much more than other parts of the world and much more than the EU. When it comes to medicines, it has become increasingly challenging for companies to bring the newest innovative medicines into the NHS.



Q271 **Sonia Kumar:** What would you say to academics in the London School of [Hygiene and Tropical] Medicine who have said, “Real innovation depends on robust research infrastructure, streamlined regulation, and collaboration—not simply paying more.”?

Dr Torbett: I agree with much of what is in that sentence, but the last part of the sentence about price is always a source of controversy and debate. The reality is that, over the last 10 years, between 2014 and 2025, the NHS budget went up 45% in real terms. The spending on branded medicines actually went down by about 9% in that time. Medicines are often perceived as a significant driver of NHS cost. Actually, there has been a real-terms disinvestment over a decade. That means a gap has emerged between the UK and the rest of the world that is also competing for investment.

Increasingly, we are seeing medicines being economically unviable to be launched in the UK. Around 20% of NICE’s work programme over the last five years was terminated by companies that felt that they could not get the price they needed to come into the UK market. That was a 100% increase over the previous five years. The medicines side of the equation is a challenge.

The investment story is a loss of share and a loss of potential. There are so many enormously impressive assets in this country. We have fantastic universities and the NHS itself, which is an engine of innovation. We have great health data, great genomics capability and so on. We believe if we get the policy mix right, we absolutely could be a world leader in life sciences research, and that will be the payback for this country.

Q272 **Sonia Kumar:** Do you think the money that will be placed in the UK will be used for innovation and R&D, and not for shareholders’ dividends?

Dr Torbett: I absolutely think there will be homegrown innovation in the UK. In the United Kingdom, we probably have the third-biggest life science community, actually. There is not a single constituency in the UK that does not have life sciences jobs, and many of those are in research, development and manufacturing. Like I say, £26 billion of exports, which compares with about £15 billion spent by the NHS on medicines. Net-net, we are a really strong contributor to the economy, and we want to grow that much more.

Q273 **Chair:** Let us make sure we have this story straight. We have obviously paid a price to get a deal with the United States on pharmaceuticals, with lots of negotiation and extra costs for the NHS. Your argument is that net-net, that is good for the UK, and will enable an increase in pharmaceutical and life science R&D potentially from American firms here in Britain?

Dr Torbett: That is the goal. We need to implement the deal properly, but that is the goal.

Q274 **Chair:** We know that is the goal. Is that what is likely to happen, given



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the deal that has been struck?

Dr Torbett: Confidence is up in the UK. I would say things are still volatile. We need it to be delivered. That is my belief.

Q275 **Chair:** Is the likelihood higher now the agreement has been struck, or lower?

Dr Torbett: Higher.

Q276 **Charlie Maynard:** You mentioned 10 years, and that the UK is comparatively going backwards on investment, R&D and trials. You did not mention it, but we are 60% down in terms of clinical trials in the UK since Brexit. To what extent is it the elephant in the room? Is it Brexit as well? Try to give us a comparative scale of the damage done by Brexit compared with what you are talking about.

Dr Torbett: As a highly regulated industry, Brexit was certainly complicated for us, that is for sure, and the EU still remains our largest trading partner, although the US is also a significant trading partner—like I say, we are the largest exporter to the US. We have been on a journey of adaptation. We have invested heavily to try to understand what has driven decisions around investment over the last couple of decades, and we have looked at a wide range of factors. The biggest single factor that comes out is that over 90% of businesses say it is the commercial operating environment with the NHS that has really been the sore point here, and that has been the bit that has been so far away from Europe. There is a big gap between the US and Europe, and there is a gap between Europe and the UK. The agreement done in December was the start of addressing that, but there is more that we need to do.

Chair: That is very helpful.

Q277 **Dan Aldridge:** I just want to turn to the tech prosperity deal, which was separate from the investments that were announced during the state visit. I know that BritishAmerican Business has raised concerns that there is a lack of detail and that is potentially impeding business planning. There is concern around accountability within it, making it difficult to assess progress or hold stakeholders to account. It would be good to get a bit of a sense of what might need to be there. Also, is it really just a forum for dialogue between two Governments, or is it possible for it to deliver tangible outcomes outside of the investment promises?

Duncan Edwards: The tech prosperity deal was one of the aspects of the economic prosperity deal that was promised in that agreement. It was a follow-up to the economic prosperity deal, and covers lots of the future-facing industries that we all want to see prosper in and between the US and the UK. The US announced that it was suspending negotiations on the tech prosperity deal a month or so ago, and this was largely due to frustration—as far as the US negotiation team saw it—on a lack of progress on the second part of the economic prosperity deal, some of which you have been talking about just now. That said, there are



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things happening in the tech prosperity deal. There has been progress on a new generation of civil nuclear power; the SMRs and AMRs are moving forward. There is work going on, but we believe there is a suspension of the ministerial co-operation on the tech prosperity deal until the US feels that it has made the progress it wants to make on the economic prosperity deal.

Q278 Dan Aldridge: Personally, I feel a bit frustrated by it. Is there anything of substance in there that we can hang anything off of? It feels like there is a lot of noise and very little substance. Maybe I am wrong; I am just trying to look for a silver lining. What is your perspective?

Duncan Edwards: All these agreements are frameworks. In my view, part of the challenge and some frustration is because of the nature of the written documents that were produced. The first part of the economic prosperity deal, which deals with tariffs and market access agreements on cars and agrifoods, is clear, but the second part deals in big principles. The language used to write those big principles gives enough room for different interpretations and I think this is what has happened. On the US side, it has seen the language broaden enough to enable it to make a major change in the way it trades with the UK. The same is true, by the way, of the EU. It wants to see these major changes around economic security issues, standards, all these things. It wants to see a wholesale paradigm shift. On the other hand, the UK is saying, "Hang on a minute. No, we have red lines. We're not going to move from those. These are our negotiating positions." But they were not clearly set out in the published framework agreement.

The same is true of the tech prosperity deal. There is a set of actually very sensible, encouraging ideas about how the US and the UK can work together on digital trade, AI regulation, technology in space and civil nuclear power. All these are very sensible and should be supported, but they do not have the detail. The idea was that the detail would follow through a set of follow-on negotiations where the detail you are looking for would be hammered out.

Dan Aldridge: That has been suspended now, I suppose.

Duncan Edwards: It has.

Q279 Dan Aldridge: I do not know where we go from here. What tangible things can we do to move it forward? Is there anything we can do? It feels almost like a land grab of future industry.

Chair: Duncan, just before I come back to you, let me just bring in Dr Steedman because I think you are warning about the perils that the US has recoiled from.

Dr Steedman: I would just like to say there is no technology without standards. The only question is where they are written. We have seen no let-up in the development of technologies and the interests of industries globally to develop new, emerging, and extremely far-sighted



technologies. For example, China has set up six pre-standardisation bodies in Shenzhen on ultra-emerging technology. The US and the UK are working very closely together in quantum engineering and standards in the ISO/IEC world, and the UK has the secretariat of joint technical committee 3. There is a lot of co-operation work going on between industries in the UK and the US and we could easily strengthen that further. We do not need any TPD to do that; it is happening now.

Q280 Chair: Duncan, we have heard that we have this looming three-body problem with trying to reconcile standards divergence between Europe, the US and China. We obviously have a steel industry which is on the edge. We have some positive progress on pharmaceuticals. Just give us a summary based on the BritishAmerican Business analysis of the deals that are in place. What is going well? What is not going well? Where are we semi-optimistic, but need to make a bit more progress on the detail? Just give us that overview from the analysis that you have done in the States.

Duncan Edwards: We publish regular updates on all these agreements. Most recently, in December, we published an analysis of the progress on the economic prosperity deal. We will come back to them every six months and do an update on the progress. When I have given evidence to this Committee before, I have always reminded us that US-UK trade and investment is pretty strong. The latest data suggests that bilateral trade between the US and the UK is actually up; the value of that trade going both ways is up. For the latest data: 2.2% for UK exporters to the US, and 6.8% for US exporters to the UK. So, it is a positive, and that takes us through the third quarter of 2025.

Investment data is also encouraging. UK companies are continuing to invest in the United States. Clearly, that is part of the economic policy of the US. There are some challenges in certain sectors, for example the life science and pharma sectors, but US companies continue to invest in the UK. Data for that is a bit older, so it does not include the commitments that were made around the time of the presidential visit in September. But we have no reason to doubt the good faith of the huge commitments that were made, particularly in the technology space, with the data centres and other facilities that were announced around that time. And frankly, it was not just in technology; there were lots in banking and so on, which are actually happening.

The UK's position as a place that US companies will continue to invest in remains very positive. There are things to get through: commercial terms of transactions, planning—which the Government are trying to help with—grid connectivity, availability and affordability of energy. These are all big issues, but the commitments these US companies want to make are real.

I have talked about the EPD. The only thing that is solid about the EPD so far is the tariffs and those limited market access agreements on things such as beef and ethanol, and the quota agreements on steel and cars.



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Q281 **Chair:** Just reading from your report, as you say, the baseline tariffs are in place, the automotive and aerospace quotas are set. With steel and aluminium, it sounds like we know where we are. Pharmaceuticals are settled. In agriculture, the quotas are in place and active. Then, there are these four basic areas: regulatory co-operation, digital trade, economic [Panel2](#) security and something loosely defined as future workstreams that are all “under discussion”, bits of which are not moving forward very fast. Is that a fair summary?

Duncan Edwards: That is a fair summary. I think there is a little frustration in the negotiations on both sides. The broad nature of the language in those agreements made people think there was more room than it has turned out there is on both sides of the negotiation.

Q282 **Chair:** Let us wrap up this session with a word of advice from each of you to our Ministers. Duncan, the story that you tell about the numbers is pretty reassuring and you have said to the Committee in the past that, actually, what Ministers have to do is not foul things up, because the kinetic energy in the relationship is moving us forward. Dr Steedman, what would be your final message to Ministers as we try to make sense of all this?

Dr Steedman: Do not foul it up. We have very successful co-operation with the US standards makers, and we work on the global stage together. We work with other countries together. It all works extremely well, so we do not need to make any concessions in that area.

Dr Torbett: I have been positive about the agreement that was signed in December, but we cannot forget that from a UK perspective the starting point is very bad. It was very challenging for companies to invest in this country. The message to Ministers really is: let's implement it in a convincing way and make sure that we have a strong signal of stability for those commitments into the long term.

Chair: I sense that you need more detail from Ministers to supply that reassurance.

Dr Torbett: We need more detail. We are in discussions with Ministers over the next few months as to what the future will look like, but it is really important that we keep to those commitments for the long term.

Chair: Russell, I think we are pretty clear about what you need.

Russell Codling: We are pretty clear, hopefully. The reason why the US has acted in the way it has is a common reason that impacts us as an industry in the UK. We need to act and do our part to protect our own industries in the way in which the US, the EU and others have. The time to act is now. Otherwise, it will be far too late.

Q283 **Chair:** Thank you. Duncan, any final advice for Ministers here?



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Duncan Edwards: Just keep at it. It is quite difficult. This US Administration is trying to negotiate dozens of agreements at the same time and is under pressure from its political leadership as well. The UK team is actually doing a pretty good job.

Chair: Super. That has helped us set the stage very well. Thank you very much indeed to our witnesses. That concludes the session.