

Business and Trade Committee

Oral evidence: China and the UK economy, HC 124

Tuesday 30 June 2026

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Members present: Liam Byrne (Chair); Chris Bloore; John Cooper; Sarah Edwards; Leigh Ingham; Justin Madders; Charlie Maynard; Mr Joshua Reynolds.

Questions 254 - 327

Witnesses

- Sir Chris Bryant MP, Minister for Trade, Department for Business and Trade;
- Kate Joseph, Director General, Economic Security and Trade Relations, Department for Business and Trade;
- Lewis Neal, HM Trade Commissioner for China, Department for Business and Trade.

Examination of witnesses

Witnesses: Sir Chris Bryant, Kate Joseph and Lewis Neal.

Q254 **Chair:** Welcome to today's session of the Business and Trade Select Committee as we pursue the last session in our inquiry on China. Thank you very much indeed to Chris Bryant for joining us. Thank you, Kate and Lewis, for helping Sir Chris get the answers correct, not that he needs any help.

Let's kick off, Sir Chris. Don't tell us the slogan, because we know what the slogan is. Just unpack what the China strategy is. We had the China audit, and that took stock about what was going on with China across Government. It was not published, but bits of it were in the various security documents. Is there actually a China strategy that Ministers use to take a read when they are making decisions?

Sir Chris Bryant: A lot of the China strategy is in the trade strategy. There is a slogan, as you know. I slightly disagree with the slogan because the slogan now only has two parts in it, and I think it should have three parts in it, but the slogan does explain part of the strategy.

The two bits that are still in this slogan are that we want to co-operate where we can and must, and to challenge where we must. We also need to compete where we must. For instance, when the Prime Minister went to China, he was very keen that we should end up with talking about services exports, because one of the things the UK is phenomenally good at, as you know, is services exports. We are a services superpower.

It is an enormous set of opportunities in China if we can get this right, which is why we set up this working group trying to put together some kind of services bilateral partnership. That could potentially be very significant for us, and it solves one of the problems that China has, which is that it needs more support on financial services and the whole range of the services sector.

I am very conscious that, as the Trade Minister, I am often co-operating with China. Interestingly enough, we now have a joint working party between China and the UK on WTO reform and issues that arise. I would very much like to see more of the WTO addressing level playing field issues, which cut between the UK and China. That is another area where, if we can get co-operation, that is a significant win for us, but we also have to challenge. You may want to bring up some of the issues where we specifically have to challenge China.

The bit that I get a bit frustrated about is when I sometimes hear people say, "I don't know why you are doing any business with China, because it's a one-party state", with human rights issues and all the rest of it. I am happy to talk about that a bit later, but the bit that is unavoidable is that China is a massive economic superpower. None of us in this room could survive a day without some kind of product from China, but we just



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need to make sure that that relationship works for us as well as it does for China.

Q255 **Chair:** I just want to check this, though. It sounds like you are taking a lot of your read off the trade strategy that you have. When we talk to DSIT officials, it is pretty clear that there is a China strategy of sorts in DSIT. The Ministry of Defence has a China strategy too; so have bits of No. 10; so have bits of the Treasury; so have bits of the Foreign Office.

It sounds like, in practice, Whitehall has China strategies. In Parliament, we are struggling to see what the joined-up picture is. Can you just help us understand? Is it simply the case that we have China strategies, or is there a China strategy across Government?

Sir Chris Bryant: We have a single strategy but we have lots of tactics. I hear the argument that has been made to you in Committee by several witnesses, which is that businesses get slightly different answers from different Departments, different sectors and so on. The truth of the matter is that that is inevitable.

For instance, most ordinary people in Britain would be surprised to hear that China is our third-biggest export market for automotives. Getting a deal with China on automotives is really important to us, as well as the issues around Chinese investment in the UK automotive industry, what happens around electric vehicles and so on. That relationship is entirely managed by us. People will get a very coherent message from the Department for Business and Trade on that, which would be reinforced entirely by the FCDO.

Q256 **Chair:** The challenge that businesses have is that they might get a clear read from you but then they will fear getting second-guessed by another Department. What is going on at the moment is that business feels that there is a risk transfer from Government to business because, first, business does not know how Government Departments make trade-offs, so it is quite difficult to see or guess how a government decision will go because it is unclear how trade-offs are made.

Secondly, when business is not clear about what is, frankly, in the green zone and what is in the red zone, that leads to an overabundance of caution. Businesses are pulling back from business opportunities because they are just unclear what Government would think about it.

That is why we are asking whether there is a government strategy. How do we get clearer in the business community about what the strategy is?

Sir Chris Bryant: We provide quite a lot of advice, and we have a new service that provides that advice, but inevitably some sectors are more sensitive than others. When you are talking about telecoms, for instance, it is bound to be more sensitive than others. We have a national security investment screening process that is very robust, and businesses pretty much understand that process.



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As for any Department, the assessment of risk is difficult and will always be so, because we are trying to address a series of different issues, including level playing field, national security and desire for investment into the UK. Combining those, the risk will be different in different categories and in different business decisions. We cannot entirely take that out, however many strategies we write.

Q257 **Chair:** Do you think you can make it clearer for business?

Sir Chris Bryant: Somewhat, but I do not want to overstate that because I am just being very straight with you that we are endlessly producing strategies, and then everybody wants to revise the strategy six months later. I am not sure that it actually provides any greater clarity for people. That is why we have set up the support service. I do not know whether Kate wants to refer to that more directly.

Chair: We will get back into some of that in a second. Thank you very much.

Q258 **Justin Madders:** This is a question for Lewis. What do you see as the Government's actual priorities within the strategy or strategies, as you want to present it?

Lewis Neal: We work off two of the main strategies. The industrial strategy defines the sectors of focus. We work across all of them with the exception of defence.

Then, in line with the trade strategy, we are predominantly trying to do four things. We are looking to lobby the Government to remove market access barriers so firms can trade. We obviously support exporters, in particular new exporters, into market. Then we are trying to secure inward investment in the key industrial strategy sector areas such as automotive, energy storage, life sciences, and financial and professional services. Then we work on trade policy, as the Minister says, where we see big opportunities for deepening our services engagement with China.

Q259 **Justin Madders:** You would argue that there is a level of coherence there in terms of priorities.

Lewis Neal: Yes. I have a very clear set of instructions from Ministers to deliver.

Q260 **Justin Madders:** One of the things we have had suggested to us in our evidence is that sometimes, when you are trying to develop this relationship with China, it jeopardises some of the relationships with other countries. Do you feel that is a risk that we face? Is that a fair criticism?

Sir Chris Bryant: That was one for me, probably. I think of it a bit like a Rubik's cube. The moment you have twisted it this way to accommodate one country, then suddenly you have to twist it in the other direction. This is true of all our trading relationships and all the FTAs that we sort out.



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For instance, you might have Australia arguing that it wants to have more beef coming into the UK and for relaxation of some standards. Then we go, "Yes, but the EU is about to ask us in our SPS agreement for tighter restrictions". That happens all the time. The bit that we probably need to be a bit more upfront about is the trade-offs that inevitably arise.

Q261 Sarah Edwards: The Committee is quite interested in the delicate trade-offs. You spoke about this at the beginning of your introduction, about what the relationship is with China. We would quite like to know whether the Government have come to a position on where this responsibility sits. We have to co-ordinate this type of response across different Departments. Is there somebody who sits at the top of the tree and makes the decisions about how we tie all of this activity up? Perhaps allude to where the most risk is currently being cited.

Sir Chris Bryant: The Prime Minister obviously sits at the top of the tree. I am not sure it is a great analogy really, because the lead on the trading relationship lies with us.

Now as it happens, one of the things we try to do in DBT is to make sure that there are not too many interlocutors on behalf of the UK with other countries. I have not done much of the direct relationship with China. I have had one meeting with the Chinese at the OECD. Most of this has been led by the Secretary of State and a bit by the Foreign Office, but the primary responsibility lies with the Prime Minister, the Cabinet Office and therefore us.

The area that we have been most concerned about for the last few years—and I certainly was when we were in opposition as well—was always related to telecoms, which is why we are making good progress on taking Huawei out of all our telecoms systems. That was a costly issue that has undoubtedly impacted the rollout of mobile and other services in the UK, but it was the right thing to do.

Sarah Edwards: Are there other potential areas where you can see that there are trade-offs? How do you perform that balancing act? How do you make those decisions about what trade-offs you accept or do not accept? Is there a process that you follow to do that?

Q262 Chair: Give us a sense of how complicated decisions are made. What is the commissioning process across Government for advice? Who chairs the meetings? How do you put decision notes together? How do you put something down in the records? How does No. 10 call it in to check it? Give us a sense of the dynamics of the process.

Sir Chris Bryant: The national security investment screening process under the Act has a very precise process, and that is all laid out in statute and is available for anybody to understand. Where there are cross-cutting issues, those are addressed by Cabinet sub-committees, and Ministers consider them.

Q263 Chair: Which is the Cabinet sub-committee that deals with this most?



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Sir Chris Bryant: I was not sure whether I was allowed to say it; I do sometimes check. It is the National Security Committee, which is chaired by the Prime Minister. If there is a major, significant issue that needs to be addressed, then that is where that would go. For instance, there was an adjudication last week by the Chancellor of the Duchy of Lancaster in relation to one investment, which found against, which was publicised last week.

Q264 **Chair:** If you are taking decisions on things such as whether we are going to put quotas on Chinese cars in the way that our European neighbours have, how does a decision such as that get decided across Government?

Sir Chris Bryant: A submission would probably come up to Ministers in my Department. Kate and I would probably have discussed it beforehand. We would have a little bit of a discussion with Lewis as well about how all of that would go down. We would have to bear in mind how that relates to other parts of our industrial strategy and whether it achieves the outcome we would want.

If there was a proposal that we wanted to move forward, then we would need to do a write-round around all Government Departments to get collective agreement. If necessary, that might go to a Cabinet sub-committee, either a decision-making one that is chaired by the Prime Minister or another one that is more contemplative—I suppose that might be the best word. At the end of that, if there is a difference of opinion between Government Departments, then the Prime Minister would have to adjudicate.

Q265 **Chair:** The Secretary of State for Business and Trade was taken off the National Security Council as a permanent member. Presumably, he then gets hoicked back in when there are decisions that pertain to your Department.

Sir Chris Bryant: We argue regularly that DBT should always be at the table, but yes.

Q266 **Chair:** Then how does it work at the Whitehall official level, Kate? Is there a standing China group that brings together officials from across Government?

Kate Joseph: There are definitely regular meetings on China at various different levels of seniority that are brought together, by either the Cabinet Office or the Foreign Office. Yes, that is definitely the case on specific China-related issues.

Exactly as the Minister said, it is the NSC that sits at the top of this and provides the strategic direction on where we should be positioning ourselves, and then underneath that it is very often a Secretary of State decision about how we might take things forward in a particular sector.



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The key issue for us as officials in considering where we want to position ourselves is that you have to go down to a fairly deep level of analysis and understanding in order to be able to take that decision, so it does not necessarily make sense to make relatively sweeping sector-by-sector judgments about what is safe and what is not safe. It makes more sense to be much more case-by-case, because each case will be different in terms of the benefit it might bring to the economy and the security risks.

Obviously, there is a range of official-led meetings that will bring together advice from other Government Departments that will be supplemented by analysis, including from the Joint Intelligence Organisation and from the JIC, and open-source analysis. That is brought together either through Cabinet Office-chaired meetings or through the Department whose Secretary of State is ultimately taking the decision, if necessary going right round to Cabinet colleagues.

There is a lot of consultation there in order to be able to support a case-by-case decision-making process.

Q267 Sarah Edwards: It sounds like there is quite a lot of work to be done. It is quite complicated. How do you feel about the level of resourcing and time that officials have to do this?

Quite a lot of the evidence that we have heard has been around the difficulties of necessarily feeling sometimes like some of those decisions may be in the best interests of certain sectors or businesses. Obviously, they go through a scrutiny process, but at what point do some of them perhaps not pass through that because there just is not the time? It is left to market forces rather than maybe being more strategic around procurement or something else, for example.

Kate Joseph: I do not think that we would ever be in a situation where we would let something go through because there was not the time or the resource. We would definitely make sure that we were resourcing all of these decisions properly and correctly.

It is probably fair to say that we get better at it, and we get more efficient. We get more efficient at pooling our resources, and we have experience to drawn upon. Therefore, it makes those decisions somewhat less lengthy and easier to take. This is a very high priority, and so we make sure that it is resourced effectively and efficiently.

Sir Chris Bryant: I do not think the danger is not allowing enough time; the danger has been that we have just taken far too long to make some decisions. I have an analysis of lots of reasons why, over the last 15 years, the decision-making process in Government has got much sludgier. We need to make it a bit swifter.

Q268 Chair: What is that analysis?

Sir Chris Bryant: First of all, we probably have too many structures of committees. Committees should be able to make decisions. We need to



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delegate better throughout the whole process of government. We should be less obsessed with Cabinet and more able to use the whole of the Government structure.

I would introduce a rule that no Minister can ever say no to a meeting with another Minister. Sorry, I did not know that I was going to hold forth on this, but now I am getting it off my chest. It sometimes happens that, inevitably, civil servants have grown up in their own Department and want to defend the equity of their Department, and then, when you get the two Ministers in the room together, they discover, "We have not grown up in those silos. We have grown up in the same silo"—which is the Labour party or whatever Government it may have been—"and we can come to an agreement much more quickly".

All those things would help us make decisions more quickly. I am not going to stray any further. Anyway, there we are.

Q269 Chair: The process you have described could be characterised as quite reactive. It is the decision-making structure for decisions of the moment, if you like. Where is the space in which you come together to think about the longer run when it comes to China?

Sir Chris Bryant: Peter Kyle in the Department and I and others have had quite long conversations, and that happens across Government, completely outside the decision-making process. That is quite important.

I worry sometimes that Ministers' diaries are so full of going to things that do not really have an outcome, and they would be better off, frankly, sitting down and chewing the cud for half an hour with somebody else and informing themselves on a subject better so that we can be the proactive drivers of change that we all want to be as Ministers.

Q270 Chair: Kate, from your point of view, how do officials come together to think strategically about China?

Kate Joseph: It is a little bit in the way that you mentioned, because, under the auspices of the NSC, we have a number of official committees. Maybe there are too many for the Minister's preference; I do not know. We have regular China-focused discussions under that, as you would expect, and as we do with the range of issues that the NSC is grappling with.

There is space within that NSC architecture to have that kind of conversation, to bring in the relevant Departments, and to broaden the membership out beyond the core NSC membership, as you said. The Cabinet Office will very regularly do that to ensure that the right Departments are around the table and we are able to have those strategic conversations about where we are going in our relationship with China, as with other countries.

Sir Chris Bryant: I would do one other thing, which is that the Minister responsible, who may not necessarily be the Cabinet Minister, should



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always be at any meeting that has a workstream element in it where they are the person who is going to be taking it forward. The minutes from all these meetings are very impenetrable, and you need to have heard the whole debate to be able to move forward.

Sometimes it is a Secretary of State who is driving forward change. Peter has driven change through in lots of different ways in the Department over the last year, but often it is going to be a lesser Minister.

Q271 Chair: Then how are the conclusions from the meetings that you have described, Kate, communicated through the Government machine?

Kate Joseph: They would be communicated in part through minutes, which sometimes are useful and maybe sometimes are not. The way that the process around the NSC works, as I am sure you know, is that you would have official-level meetings, discussions and papers prepared for an NSC conversation or some NSC decision making. Decision making from the NSC is then shared by the Cabinet Office through Government, or it might be that it comes down through No. 10 in a Prime Minister letter or through a write-round process if there is a lead Secretary of State.

I consider it my responsibility to be talking to my counterparts in other Departments about what we are doing outside of formal committees. That is an absolutely core part of my job so that we can overcome what the Minister was talking about in terms of being too siloed in our Departments. A large part of it is in that informal conversation that we have to make sure that we do on a very regular basis.

Sir Chris Bryant: For instance, in trade this is writ large, because we are often seeking a mandate to negotiate with another country or bloc. In order to do that, we have to get agreement from maybe seven or eight different Departments, each of which may be going, "We want you to try to achieve this" or "You must achieve this in your negotiations", so there ends up having to be some negotiation between each of the Departments before we end up with a final mandate.

Quite often, it is Kate who will have done the work with the other Department. Sometimes it has to be the Minister, and sometimes it ends up having to go through some kind of negotiated outcome with the Cabinet Office.

Chair: What you have described is a pretty sophisticated and well joined-up process for making strategy on China, and also for making tactical decisions day by day. When we take evidence from the business community, they have no insight into any of that.

One of the calls this Committee has made before is for us to try to create a better space where, on questions of economic security, business and Government can have more of a sophisticated and intelligent discussion so that business is not second-guessing anything. We just want to push



that a little bit further.

Q272 **Charlie Maynard:** First of all, I refer members to my register of interests and my holding in BDA Partners, the M&A business I founded focused on Asia.

Just following up on the Chair's point there, what do you think are the pros and cons of setting up maybe a traffic-light system or something like that, and talking through risks so that, when business is looking in, it can say, "Okay, the Government tell us we should be watching out for this, and that has changed from green to amber" or whatever? Do you think that is a useful thing or not?

Sir Chris Bryant: It might be useful, but it might be unachievable. That is my anxiety, because, first, things change pretty regularly, and so people might be relying on what the view was six months ago, which might have changed.

Secondly, some of the areas where we would perceive greater risk and we would want to exercise greater discretion would not necessarily be areas that we would want to publicise, because some of this ends up touching on national strategy issues. To be absolutely clear in relation to China, there are areas where we know that it provides a significant risk to British interests, and we need to manage that as responsibly as we can.

We try to give what support and advice we can to business, and for the most part it reads our signals pretty well. Sometimes we are able to do so more clearly than at other times. Lewis, I do not know whether you have anything.

Lewis Neal: We obviously talk to a large range of British businesses in markets. In general, we find that they are focused on their legal compliance. Are they complying with UK legislation, and export controls for those that touch them?

In general, I find that the vast majority have a pretty sophisticated understanding of their legal requirements in the UK, their presence in China, and the balance of opportunities and risks that their business faces. The challenge comes in how we get more businesses exporting to China, in particular smaller businesses.

Sir Chris Bryant: In relation to that, there are some things we really wanted to achieve, not least because business had sent it to us. The 30-day visa thing that was arranged when the Prime Minister visited Beijing was really important to businesses. If we manage to get a coherent partnership on services, then that will be of significant benefit. We try to enable people to have a more coherent relationship with China.

Q273 **Charlie Maynard:** On that partnership on services, are there chinks of light? Are you very optimistic? Where are you on that?

Sir Chris Bryant: It is slightly early days, but I am always an optimist. It is in Kate's hands, so it is bound to come off.



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Kate Joseph: It is in my team's hands. Literally right now, in fact, our two teams are meeting to have our first session on our joint feasibility study on a services agreement.

Q274 **Charlie Maynard:** Is that services as in all services, or are there particular services?

Kate Joseph: This is exactly what we are using the joint feasibility study to scope out, to understand what a potential landing zone might be. The main point of it is really to identify where we might have some sensitivities and where the Chinese side might have some sensitivities, and what that means for us and for the possibility of coming to an agreement. It is a fairly standard thing that we often do in trade agreements, but that is the phase that we are at right now to scope out what it might look like.

Sir Chris Bryant: Similarly, I was in Türkiye two weeks ago. We are trying to make that FTA, which we want to get over the line before Christmas, very much focused on services, because that is a strength for us, but that is quite a big ask from the Turkish Government, so we are working through what will work. You will recall that, with the India FTA, we wanted to get legal services over the line, and we were not able to because India did not feel able to go there.

There is just one other thing I might say about how we try to be proactive and strategic in the way that we engage. We analyse the kind of goods that come from China to the UK, because obviously there is a sensitivity about some more than others. There were 4,482 types of goods sourced from China in 2024-25.¹ We would define 3,380 as supply vulnerable, and 911 were critical to the UK, in particular in chemicals, manufactured goods and machinery.

We try to very much focus our efforts on the areas that really matter to us. You might want to talk about critical minerals in a moment as well.

Q275 **Chair:** What is the timetable for the joint feasibility study?

Kate Joseph: We hope that we will be able to make sufficient progress by the autumn. We are hoping that we will be able to schedule an economic and financial dialogue in the autumn, and it will be wonderful if those things come together. From our perspective, it is more important to get it right than to meet a particular deadline, but hopefully this year.

Sir Chris Bryant: There is just one other thing I should mention, which is the supply chain centre that we have started up recently. It has published 36 categories of critical inputs as a signal to businesses to help them understand exactly the direction of travel.

Q276 **Chair:** You are beginning to put in place what is almost like Foreign

¹ The Department later clarified that the correct date for this figure is 2023, not 2024-25.



Office travel advice—these green lanes.

Sir Chris Bryant: Certainly the pillars of that, yes.

Chair: We might loop back to that if we have time.

Q277 **John Cooper:** Kate, we are talking here about a very nuanced and balanced risk-and-reward situation. Do the Government have an economic decision-making framework that integrates the security threat assessment with the economic cost-benefit analysis? Do you have that in place?

Kate Joseph: It was really what we were discussing earlier around the discussions that we have under the auspices of the NSC in order to be able to balance the economic benefit and the security situation. We try to do that both on a case-by-case basis, as I said, and in a slightly more strategic way to understand what the potential areas are where we might have more concerns. As the Minister said, there are some sectors where we might have more concerns.

The challenge, as we were talking about, is really about being very categorical about that, because it will depend on the individual investment or export opportunity or the specific economic opportunity that we are discussing. They will all be quite different. While we have ways of thinking about and capturing the economic benefit and the security risk, a framework can be very rigid, and we feel that that would probably lead to outcomes that are not necessarily where we would end up being.

Yes, we have analytical frameworks. We put quite a lot of store in making sure that we are using the same analysis as other Government Departments, that we are building intelligence as well, and that we have a shared picture. If you have the shared analytical picture, then it is much easier as Departments to come to a shared view about where you should be positioning yourselves.

Q278 **John Cooper:** Do you think it is quite dynamic? It sits under the NSC, which is the cupola on top.

Kate Joseph: That is how I would describe it.

Sir Chris Bryant: If I give an example, this goes back to when I was Telecoms Minister. There was the merger of Three and Vodafone, and obviously there were concerns in relation to part of the ownership of Three, because Vodafone had contracts with the MOD and other organisations and parts of Government.

First, we wanted to make sure that the economic investment was definitely going to happen, with the £11 billion that was committed to. That was sorted for us, and they made firm commitments that are being monitored. Secondly, we wanted to make sure that there were



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mitigations to prevent anything inappropriate or any concerns around national security.

Chair: Let us move on to challenges around the unlevel playing field.

Q279 **Charlie Maynard:** A recent report by the French Government argued that Europe is experiencing the second wave in an unparalleled competitive shock caused by heavily subsidised Chinese imports. Your Department has access to the OECD MAGIC database, which sets out in gory detail just how unlevel this playing field is and how much China supports its industries. What do you plan to do about that as a Department?

Sir Chris Bryant: One of the things we are doing that happens tomorrow is the new steel trade measures that we are introducing, because we recognise that, if we are going to make sure that we have more of a level playing field for British steel production, then we have to have quotas and tariffs in place to do precisely that.

On the whole, I have to say that I am not a fan of tariffs or of quotas. I would prefer to get rid of all of them because I am a free trade person, but it has to be free and fair trade. Where there is not a level playing field for British production, and where we are left very vulnerable, then we have to act. That is why I was referring to the 911 critical goods to the UK.

A classic instance of this is critical minerals. We need to look at the long term, not just at the short term, because critical minerals are available in many countries in the world. I do not know how we allowed ourselves to get to a place where more than 85% of the processing of all of those is done in one country.

Q280 **Charlie Maynard:** Minister, if I may, just taking the broader picture, we have wholesale subsidisation across many industries. It is hard for us to track that information. The OECD has probably done the best job of that. That is putting British manufacturing industries, particularly, at a severe disadvantage day after day after day, and they are going to go bust because of it. I am really keen to understand better just how that is being grappled with on a big scale, because I do not think it is at the moment.

Sir Chris Bryant: Part of the answer is the measures we have introduced, but also the Trade Remedies Authority. It has had 30 findings against China, as it were, and indeed there is another one that is going through the processes at the moment. Sometimes there is a reluctance from businesses to engage in that process, and we need to think about how we can address that better.

Q281 **Charlie Maynard:** How does that work? What has been the biggest punishment meted out by the Trade Remedies Authority to date? Why should any Chinese company be frightened of this?

Sir Chris Bryant: I might have to write to you with the precise answer.



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Q282 **Charlie Maynard:** I am not necessarily looking for the specifics but the generality. Has a big fine been handed out? Has it changed behaviour? Otherwise, if I was a Chinese exporter I would be thinking, "Hey, let's just carry on".

Kate Joseph: It is more about imposing remedies in the form of tariffs on imports in a particular subsector. The way that it works is that industry and the UK can go to the Trade Remedies Authority, and if they can provide evidence of harm, for example that dumping is causing them harm, then the Trade Remedies Authority will go away and investigate that and take a lot of evidence. Then it might impose some tariffs or recommend that we impose some tariffs on particular imports that are causing harm to that industry. Is that what you meant?

Q283 **Charlie Maynard:** Yes, but is it working? Last year, did we do one, 10 or 100 remedies? Did this actually bite or not?

Kate Joseph: One thing we have tried to do is to make the Trade Remedies Authority more accessible to industry and to raise its profile. That has led to a doubling of cases. As the Minister said, companies were not really coming to the Trade Remedies Authority. They might have had a low level of awareness, so we are doing something about increasing that level of awareness and just making it easier. There are more cases. I can find in here the number of cases that we have had.

Sir Chris Bryant: We have done 30 anti-dumping and anti-subsidy measures against China.

Q284 **Charlie Maynard:** What does that mean in terms of fines and sanctions? What is actually hitting? I respect everything you are saying, but are teeth being used?

Kate Joseph: It is really about raising the price of imports into this country so that we are protecting homegrown industry. Rather than imposing fines, it is about imposing tariffs in the form of remedies so that it becomes more expensive to purchase the products that are being sold artificially cheaply into the UK. That is the way it works.

Sir Chris Bryant: Just to explain some of the reluctance from business, sometimes it may be that a sole business is the business that is being harmed, and so that provides a problem for them. We are trying to find means with which we can help them get over that hurdle.

The process is that, once the TRA has come to its conclusion, then it comes to Ministers, and Ministers can accept, reject or amend. If we reject or amend, then we have to do a WMS to Parliament. I am happy to write with the full list of measures that we have done.

Q285 **Charlie Maynard:** It is more about the confidence levels that this is working, it is working quickly, and it has real bite. I am not hearing huge confidence on all of that; I do not mean that to be too rude.



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Kate Joseph: I definitely think it is working. The TRA is a relatively new, post-Brexit organisation. We have put in place 45 measures, of which 30, as the Minister said, are relevant to this inquiry aimed at China. We have seven live investigations going on at the moment. We are dependent on business coming to us.

What we will want to do at some point, which goes to precisely the question that you ask, is to stand back and say, "Okay, where is this taking us? How far is this going?" The trade strategy did include several measures that were aimed at tightening up and strengthening our trade defence regime, making it more accessible to business, and giving the Secretary of State himself the power to initiate investigations as well. We are strengthening it. Once we have a bit more experience under our belt, we will want to see whether we need to look again at how effective it is being.

Q286 **Chair:** If we were having this conversation in France, the French Government would be pointing to their analysis about how we now have these systemic imbalances that require some pretty radical solutions. The French paper from their High Commission for Strategy and Planning, published in February, made the point that China shock 2.0 is different because exports are continuing to rise and Chinese imports, frankly, are not. You have a currency that is maybe 16% undervalued. You have huge subsidies going in, in the form of subsidised credit, land, labour and energy. You have a structural imbalance that is frankly part of the CCP's planning for the next four or five years.

It feels like the sort of response that you are leading, no doubt heroically, is to try to get the TRA to increase the speed with which it is putting in anti-dumping measures. What I am not hearing is a UK plan, prosecuted through the G7 with others, to really begin trying to persuade China to change the economic path it is on.

Sir Chris Bryant: We have the presidency of the G20 next year. Somebody else will be making a decision about what should be top of our agenda, but that will undoubtedly be one of the areas that we want to consider, not least because the WTO has failed to address all these overcapacity issues, subsidy issues and the transparency rate.

It is not just China; this is country agnostic. Other countries have failed to register their subsidies as required under WTO rules and so on. All of that needs a complete refresh. That is why I am encouraged that we are able to have that dialogue with our Chinese counterparts, partly because of the way we are engaging with China.

Q287 **Chair:** You said that the approach needed a complete refresh.

Sir Chris Bryant: Yes. As a nation, we are not as industrially focused as some others are in Europe. Nine per cent. of our GDP is industry.

Q288 **Chair:** We are the least exposed in the G7 to China shock 2.0. We are the least exposed to the risks of China shock 2.0, but none the less it is



going to have a significant impact on our manufacturing.

Sir Chris Bryant: Yes. Let me just finish the point I was making, if that is okay. Nine per cent. of our GDP is industry; Europe's is 14%. If we want to engage in a degree of reindustrialisation in the UK, then we are going to have to be able to answer some of these questions. That is why the steel trade measure has been quite difficult, because lots of people downstream have got used to cheap steel from other places in the world. That is a trade-off that we are addressing quite robustly.

Chair: Perfect. Let me come to Mr Cooper, because there are a range of tools that you have. You are consulting on the anti-coercion instrument, to which we have responded. That is one of the new tools that you could equip yourselves with, but there are others as well.

Q289 **John Cooper:** Thank you, Chair. Alexander Dennis, the bus manufacturer, was very clear that we in the UK should change procurement rules to favour domestic companies. Is that a possibility? Could we do that? Would you be willing to change the Procurement Act to try to do that?

Sir Chris Bryant: We have done a little bit of that already. One of the first things we did in July 2024—I will write to correct this if I have got this wrong—was a change about steel procurement in particular.

I am in favour of that, but I return to my fundamental principle, which is that I am in favour of free trade as long as it is fair trade. There is a trade-off between those two, actually. The classic instance is that we can say, "All right, everybody buy British cars", and then I have to say to the European Union, "When we say British cars, we mean British and European cars, just as, when you talk about European cars, you mean European and British cars".

On the whole, it is a problem that between 2016 and 2023—I think this statistic is right—the number of protectionist measures around the world has quadrupled. In the end, that is not good for the UK because we are fundamentally a trading nation and always will be. The more that we are able to embrace that, the better for consumers and for business alike.

Q290 **Charlie Maynard:** Following on from that, there is the call for input on how to protect the UK from adverse economic pressure. There is the European Union with what it calls the big bazooka, so its anti-coercion instrument. Instinctively, it has 450 million people; we have less than 70 million people. Its bazooka is quite a lot bigger than our bazooka, and we do not have one yet.

I am just trying to work out what we do to have some claws, teeth, backbone or whatever it might be, given that we are a lot smaller. That is relevant if you are China and you are dealing with us. That is your problem to grapple with. How are you grappling with that, and what do you think are the answers there?



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Sir Chris Bryant: I will let you in on a secret as long as you do not tell anybody else. If it were entirely up to me, I would join the European Union, but it is not entirely up to me, I hastily add, and that is not the formal government position.

The serious point is that it has a big bazooka, or it calls it a big bazooka, but the truth of the matter is that it is so big it is unusable. I am not interested in going down that route, if I am honest. I am interested in making sure that we address all of these issues through every single means that we have, but I am just very sceptical, as you know, about the idea of the UK creating a big bazooka.

Q291 **Charlie Maynard:** Minister, I agree, but we also want to matter and to be able to protect ourselves. I totally agree with the aspect of being clever about it, but what does clever mean in this situation? How can we protect our economy effectively?

Sir Chris Bryant: It might mean a variety of different things. It is messy. It is not as tidy an answer as I am sure everybody would like. In some sectors like critical minerals, we have to engage with allies who are in the same space as we are to find a means of getting to a place, as we have laid out in our critical minerals strategy, of us not being reliant on one country for any one particular critical mineral.

We have been engaging with the United States of America, France, Germany, and through the G7 and specifically with the US, on how we get to a better system so that production and processing in countries other than China is possible and economically viable.

There are questions about whether we should be engaged in stockpiling. That is not something that we have been able to do thus far in the UK, but we are looking at whether there is a means of doing that with allies so that the monopoly that has been created in this area is undermined. You could replicate that in a whole series of different critical sectors. That is precisely why I was referring to the critical goods that we were referring to earlier. We do not want to be in a situation where we are held over a barrel because we are unable to produce something.

Q292 **Sarah Edwards:** Just picking up on this discussion around procurement, we have talked a little bit about these supply chain chokepoints. You have mentioned raw materials and things like that, but very specifically I have an example from the UK Fashion and Textile Association. One of its members that I have met with, Toray, makes advanced fibres. It makes very specific products for defence that our NATO allies are all purchasing to make uniforms, including France, Germany and Austria, yet in our own country we are buying textiles from China and Asia.

I know there has been cross-departmental work, and procurement changes are coming in. Our brilliant British businesses are already making high-quality materials that our allies think are so good that they are deploying them across their military forces. Why are we not doing



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that? When are we going to start doing that and making it easier for these SMEs that are right across the region to actually take part in some of those potential procurement opportunities?

Sir Chris Bryant: Was it you who introduced me to the company?

Sarah Edwards: It might have been.

Sir Chris Bryant: I am obviously very forgettable. It is a very well-made point. It is utterly bizarre that the British armed forces are not attired using fabrics produced in the United Kingdom.

As I say, I do not want to go too far down this route just because our supply chains across the whole of Europe are very complex. A point I made the other day to Mr Madders at a breakfast thing about the automotive industry is that Renault, which you would think of as a very French car, is almost certain to have a British braking system in it. You can start a French car, but you cannot stop it.

We have to recognise the complexity of supply chains among our allied nations, where we are broadly comparators. The point you have made is one that I certainly know I raised with Government Ministers in the MOD. We probably need to do a bit more around procurement in MOD.

Q293 **Sarah Edwards:** Just to pick up briefly on that point, the Supply Chain Centre report that you mentioned earlier has fibres as one of those 36 key crunch points, so it makes complete sense. They can produce enough, like many other companies that are represented by the UK Fashion and Textile Association can do this work for us. I would just like to see some of that talk around that regional growth and that focus being assisted a little bit more than it might have been in the past.

Sir Chris Bryant: For that matter, I remember being in Sarajevo in 2003 and the Italian commanding officer telling me how proud he was that they had moved from Dolce & Gabbana to Versace uniforms.

Q294 **Chris Bloore:** I am not really sure I can follow that, but I am going to go on to forced labour. I am going to put the pretext that I know, Minister Bryant, that you were quite strong about forced labour issues in the Chamber prior to taking on your current role. In 2021, you co-signed a letter calling for a Uyghur slave labour government procurement blacklist for companies unable to evidence that their direct supply chains in Xinjiang are slave labour free, and for an import ban on products sourced from Xinjiang that may have been using Uyghur slave labour.

As Minister, what have you found the obstacles being to implement those policies that you called for in that letter?

Sir Chris Bryant: Nothing has changed in my views. People in the Department would say that I am just as robust on these issues as I ever was before.



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One of the advantages of engaging with China is that you are able to say these things directly to the Chinese Government and to raise these issues. I know that the Prime Minister did when he was in Beijing. I know that the Foreign Secretary did. I know Peter Kyle has with his counterpart as well. For that matter, I would add into the list other human rights issues such as Jimmy Lai. The way he has been treated is disgraceful, and he should be released as soon as possible.

I am completely opposed to forced labour. The clue is in the name of the Government. It is a Labour Government. I would be absolutely amazed, demoralised and upset if we have not managed to introduce some kind of forced labour ban by the end of this Parliament—agnostic about country, frankly.

Q295 **Chair:** The end of this Parliament is in another three years.

Sir Chris Bryant: Let me explain. There are two different elements. I would like to do things much more quickly. As you know, I am impatient.

Q296 **Chair:** What is stopping you?

Sir Chris Bryant: I will come to that. There are two different elements here. First of all is the question that may be the most effective means of bringing about a change, which is to introduce due diligence requirements on company directors, who could potentially be civilly liable, so that they would have to make sure that, within their supply chain, there was nothing that was sourced from forced labour.

That is a relatively easy and discrete thing to do, and is one of the things that we have been contemplating on the back of our responsible business conduct.

Q297 **Chair:** When will you introduce that?

Sir Chris Bryant: I have not got that over the line yet.

Q298 **Chair:** Why not?

Sir Chris Bryant: Because of all the points that I have laid out earlier about the difficulties of getting decisions.

Q299 **Chair:** Who is stopping you?

Sir Chris Bryant: Can I just do the second bit first because it fits with it?

Chair: Okay, but we are going to come back to the question.

Sir Chris Bryant: I will. I am not evading. As you can see, I am being fairly open about my views and where the Government want to get to.

The second bit is that, if you wanted to have a forced labour ban on imports into the UK, which is more difficult, you have to decide what constitutes the offence, who is committing the offence, what the penalty would be, how you enforce it, how you source evidence and all the rest of it. That is a more complex process. If we were going to introduce



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legislation on that basis, it would have to be in the next Session of Parliament. If not, you might have to do draft legislation, and therefore the Session after that.

Some of this we are relatively close to being able to bring out. One of the great achievements under Theresa May's premiership was the Modern Slavery Act, and we now need to update it today.

Q300 **Chair:** We now have tariffs coming our way from the United States because we have not moved quickly enough on this.

Sir Chris Bryant: That is not fair, actually. The United States of America has said to us that we are not, because of our Modern Slavery Act. We have taken more action than some other countries have. I note that Australia told me recently that it is about to introduce a version of our Modern Slavery Act. We know that we need to upgrade the Act. In fact, the Home Office is bringing forward legislation that was promised in the King's Speech later on this year.

Q301 **Chair:** What is stopping you bringing forward the guidance that you alluded to earlier?

Sir Chris Bryant: There is a whole write-round process, and there is a whole Government decision-making process that has to be completed. To be fair, there are bits where there are legitimate decisions to be made about what precise set of proposals would be both effective and proportionate.

Q302 **Chair:** Is your whole Department united behind you in getting this done?

Sir Chris Bryant: Yes, I think so. Are you not?

Kate Joseph: Part of the challenge for us is, as the Minister said, if we are to go down this road, how we make sure that it is proportionate when we are also a Government who want to reduce the admin burden on business. That is also a core priority.

Q303 **Chair:** Not at the expense of permitting slavery.

Kate Joseph: It is a matter of working out how we might be able to do this in the best possible way.

Sir Chris Bryant: That is not a difference between Kate and me. I would say that as well. We have set ourselves a target of cutting regulatory burden, and I want to do that.

Q304 **Chair:** You have a united Department and a united ministerial team.

Sir Chris Bryant: I see where you are going.

Q305 **Chair:** Which other bits of Whitehall, then, are frustrating you?

Sir Chris Bryant: We are in a slight holding pattern at the moment.

Q306 **Chair:** What does that mean?



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Sir Chris Bryant: I think you know precisely what that means, Mr Byrne.

Q307 **Chair:** We may expect faster progress after the end of July.

Sir Chris Bryant: Once we have dotted the i's and crossed the t's, there will be fast progress. It is not specifically about the present moment in the Government; it is more about dotting the i's and crossing the t's. We want to make sure that it is both proportionate and effective, because some versions that I have seen elsewhere in the world are quite heavy-handed and are not effective. They have not brought about any change.

Q308 **Chair:** You would like it to be effective, but you must accept that getting in place reform by the end of the Parliament is not a very ambitious timetable.

Sir Chris Bryant: I would set an earlier timetable but I just do not want to overpromise and underdeliver.

Chris Bloore: The Chair has taken all of my questions.

Sir Chris Bryant: He is a very naughty boy; he is not the messiah.

Chris Bloore: As ever, Minister, you are very charismatic and very engaging.

Sir Chris Bryant: I am sorry. There is one other thing I would say. I think it was Tagore who said that the person who plants trees knowing that they will never sit under their shade is the person who has started to understand the meaning of life.

Chair: We hope that you are very much in place to drive it through, don't we, Mr Bloore?

Q309 **Chris Bloore:** Yes. Again, a lot of people listening to some of those answers and accepting your personal opinions will say that, with other countries such as South Africa in the past when we have made decisions about trading with them, nothing is fundamentally going to change about what we know is happening in this part of the world.

It should not take a change in Prime Minister for us to get this through. It has been two years, Minister. Next time we discuss this, we will actually want some solid progress in stopping this, because we either believe in not trading with people who are doing slave labour or we do not. At the end of the day, we have to come to a decision on that. If the answer is that we have left ourselves too vulnerable to the interests of China and what we need from it, then we have to be honest about that.

Sir Chris Bryant: That is a point well made.

Q310 **Mr Reynolds:** Scotland recently procured £45 million-worth of new electric buses. There were 334 buses in total; 160 of those were Chinese buses. About 50% of all new buses sold in the UK are Chinese. We had evidence in front of this Committee that suggested that those 160 buses that the Scottish Government have just procured have components in



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them that allow those buses to be directly stopped by China. They can be directly turned off by the Chinese. Why are we allowing those buses into the UK?

Sir Chris Bryant: I might need notice of a question about stopping buses. I do not know the answer to that question; I do not know whether anybody else does. I will have to write to you on that, I am afraid. Sorry, Mr Reynolds.

Chair: Okay, we look forward to that.

Q311 **Justin Madders:** Just very briefly, following up from Joshua's question, we had some quite alarming evidence about the level of integration that these Chinese-based internet models have in a whole range of products across society. Do the Government have any idea of exactly how embedded all this technology is?

Sir Chris Bryant: Yes, to some degree. Of course, we sometimes do not want to say publicly, for obvious reasons. As you will know from your time as a Minister, there are things that we do not want to put into the public domain. I return to my original feeling, which is that we want to be completely eyes wide open about all of this. I do not want to give succour either to those who just want to say, "We should never have anything to do with China because it's terrible", or to those who say that we should just engage in any old business because it is business.

Q312 **Justin Madders:** There is a midpoint, is there not, which says that there are parts of our national infrastructure where it might be wise for us not to be exposed to the ability for China to receive signals transmitted from the UK on a whole range of topics. What is the Government's position on tackling that?

Sir Chris Bryant: We are briefed on the national security element of that. It is not primarily our area of responsibility, but it is essential to everything that we have to consider in this area. There are some things and some sectors that are more vulnerable than others. We have to adopt a risk-based approach, and we are very alert to that.

Q313 **John Cooper:** Ming Yang dangled the prospect of a very big investment in the Cromarty Firth green port, such that the First Minister of Scotland started to send it letters of comfort in a bid to drive around the UK Government. Who took the decision to exclude Ming Yang? Was it a decision taken by your Department, or was it taken elsewhere in Government?

Sir Chris Bryant: Kate is the expert on this—sorry.

Kate Joseph: That is fine. What I should make clear to the Committee is that I know that you have asked the Chief Secretary to the Prime Minister for some explanation as to how the Government came to that decision. It is not a decision for DBT, and I know that the Chief Secretary to the Prime Minister is going to write to the Committee, setting out, as much as



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he can, how that decision was made, so it is probably most appropriate for us to refer to that letter, which I hope you will have very shortly.

Q314 **John Cooper:** Have you any sense of whether this is a permanent exclusion, or is it a temporary thing? Do we know? Do we have any sense of that?

Kate Joseph: The decision was less about an exclusion and more about not being able to provide the assurances that Greenvolt sought around that investment. It is less of a ban or anything like that, and more the Government saying that we were not able to provide the assurances that they were seeking about Ming Yang as a supplier of turbines.

Q315 **John Cooper:** There was an attempt by Ming Yang and Octopus to put together a deal that would have allowed Ming Yang to make equipment, but it would be Octopus software in there. Was that something that came across your desk, or was that looked at elsewhere in the forest?

Kate Joseph: I was certainly aware of that work that was going on. I cannot say that we have the technical expertise in DBT to be able to assess how far that went, but that was certainly very much part and parcel of the considerations that went into this decision-making, and I would hope that the response that you get will be able to give you some explanation about that as well. I was aware of that, but cannot really say anything about it.

Q316 **John Cooper:** DBT did have some involvement in this. You had some knowledge of what was going to be fed in. Let us put it that way.

Kate Joseph: There was definitely cross-Government discussion around this decision.

Q317 **Chair:** What was the discussion between Westminster and the devolved Administration? It would appear that decisions are being encouraged about inward investment at a devolved level, and yet they have been second-guessed by the regime run from London.

Kate Joseph: That was not an element that our Department was responsible for, so I would hope that the Chief Secretary's letter addresses that. I am sorry that I cannot be more illuminating on that.

Q318 **Chair:** Where is the space where devolved Administrations or, indeed, mayoral authorities join up on decisions such as this with Government centrally?

Kate Joseph: That would be, in part, up to the lead Department in this space. If there is a lead Department that is involved because it owns that particular sector, it would be, in part, its responsibility to join up with devolved Administrations and, potentially, regional governments—

Q319 **Chair:** Would that be the Scotland office in this case?

Kate Joseph: —as well as through territorial offices and the Cabinet Office.



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Sir Chris Bryant: I have responsibility for United Kingdom Internal Market Act issues, so I have a meeting with my three counterparts in the three devolved Governments on a regular basis about how FTAs are progressing. Quite often, they are engaged. They are part of developing our mandate and helping us sometimes get things over the line, and there might be implications directly for them as well as specific internal market issues such as deposit return schemes.

Q320 **Chair:** So, when there is an investment security decision that involves decision taking by a devolved Administration, it is the lead Department that we rely on to do the co-ordination.

Kate Joseph: If it is a straightforward investment security decision, that is under the auspices of the National Security Investment Act, which is run by the Cabinet Office through its processes under the NSIA. That is not what was going on here. It was a different type of process. It is a responsibility for the investment security unit to bring in all the evidence that it needs. I am afraid that I do not know exactly what its processes are for engaging devolved Administrations or territorial offices, but I would assume that is part of it.

Q321 **Chair:** One of the ways in which we de-risk from too much dependence on China is to continue the work of diversifying our trade agreements around the world. You have mentioned a couple in passing today, but one of the big ones that is still outstanding is Mercosur. Have you got a green light yet to open negotiations on joining Mercosur?

Sir Chris Bryant: We have an amber light.

Q322 **Chair:** That means, "Do not proceed", does it not?

Sir Chris Bryant: There is an obvious argument for why we should pursue trade deals with Mercosur, and with Thailand, for that matter, which is that the EU and, for that matter, EFTA in relation to Mercosur, already have trade deals with them. That means that British businesses are already going to be outpriced by European ones if we do not move quickly.

I am very keen to be able to progress to consultation. We also have to consult on the four new candidate members for the CPTPP, all of which we have now started processes with. That is the UAE, Uruguay, Indonesia and the Philippines. We need to do that consultation fairly soon. I am very hopeful that we will manage to get that over the line very shortly.

Q323 **Chair:** What would it take for the amber light on Mercosur to go green?

Sir Chris Bryant: I do not know. In the words of the Sugababes, if I knew how to push that button, I would.

Q324 **Chair:** Which Departments are holding you up?

Sir Chris Bryant: There is an obvious issue that lots of people in France and other countries have raised, which is around agriculture. What goods



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market access will we want to negotiate with Argentina, with Brazil and so on? That is going to arise in relation to Uruguay anyway because of its membership accession process to the CPTPP. Inevitably, people in the farming sector are concerned about this, and I am very happy to talk to anybody to try to persuade them that this is a good thing that we should progress.

Q325 **Chair:** Are you saying that DEFRA has not wholeheartedly welcomed your proposal?

Sir Chris Bryant: You are reading between my lines.

Q326 **Chair:** I am, but what is the answer?

Sir Chris Bryant: You are reading between my lines.

Q327 **Chair:** I would say that DEFRA is perhaps standing in your way.

Sir Chris Bryant: In the end, there is only one Government, and they are a whole Government and we act collectively. I am making the argument for why I would like us to be able to move in this direction. It is in our economic interests.

Incidentally, I am very hopeful that we will get a Swiss deal done fairly soon as well, which could be very significant for us. Of course, there are sometimes other equities with other Departments that we have to overcome as well. There is also, for that matter, Türkiye. I still want Greenland to be got going. I very much hope that we will get Korea to signature in September or October. Likewise, it would be good to get the GCC deal to signature in September.

Chair: That is all we have time for. Thank you very much indeed. We are very grateful for your evidence. That concludes this panel.