



# International Agreements Committee

## Corrected oral evidence: The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and UK-Australia Trade Negotiations

Monday 19 July 2021

11.35 am

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Members present: Lord Goldsmith (The Chair); Lord Foster of Bath; Lord Gold; Lord Kerr of Kinlochard; Lord Lansley; Baroness Liddell of Coatdyke; Lord Oates; Lord Robathan; The Earl of Sandwich; Lord Watts.

Evidence Session No. 5

Virtual Proceeding

Questions 52 - 68

### Witnesses

I: Lord Grimstone of Boscobel; James Clarke, Deputy Chief Negotiator on Australia, Department for International Trade; Graham Zebedee, Director for Indo-Pacific Negotiations and Development, Department for International Trade.

## Examination of Witnesses

Lord Grimstone, James Clarke and Graham Zebedee.

Q52 **The Chair:** Good day. Welcome to this meeting of the International Agreements Committee, where we will hear from the Minister, Lord Grimstone, and colleagues of his from the Department for International Trade in particular about the proposed Australia free trade agreement and our proposed accession to the CPTPP, the transPacific partnership agreement.

I remind everybody that this is being broadcast. A transcript will be taken, but there will be an opportunity to correct it before it is finalised. We are short on time and there is a lot to cover. I have already asked my colleagues if they would be succinct in their questions and, to the extent consistent with giving us the answers that we need, Minister, I would respectfully ask you to be succinct too, if you can. I will start the questioning and then different members will come in.

If that is all right, let me start with my first question. This is in relation to the Australia FTA. We know there is an agreement in principle already, and that provides for an immediate rise in duty-free quotas followed by zero-quota and zero-tariff access to Australian agricultural producers after a phase-in period. Minister, what is your assessment of the impact of tariff elimination on British farmers?

**Lord Grimstone of Boscobel:** Thank you very much for that question, Chair. May I just say for the record that I have two colleagues with me? I have Graham Zebedee, who is the chief negotiator for the CPTPP. I also have James Clarke, who is the deputy chief negotiator on Australia. With your permission, I may bring them in from time to time to deal with technical matters.

**The Chair:** Of course, we welcome them both. We have heard from them before, and we are always pleased to have their information.

**Lord Grimstone of Boscobel:** Coming straight on to your first question, it is important to put this into context. Australian farmers will have the same access as EU farmers 15 years after the agreement comes into force. We expect that any Australian imports of beef will first displace EU imports. In 2020, we imported around 230,000 tonnes of beef tariff-free from the EU. As your committee knows, beef imports from Australia currently account for only a tiny fraction of our overall beef imports, around 0.2% in 2020 when measured in kilograms.

The Asia-Pacific market, because of its proximity and the demand for high-quality meat there, is already Australia's export focus for its agricultural products. We believe, therefore, that it is unrealistic to think that large volumes of beef and sheep will be diverted to the UK from these frankly lucrative nearby markets.

We have to make sure that British farmers and British agriculture are protected, so we have also agreed a general bilateral safeguard

mechanism with Australia. That is for all goods, including agricultural products. The purpose of this is to provide a safety net for industry, if it faces serious injury from increased imports as a direct result of the FTA. We have said—and I stick by this—that we do not believe that the deal will undercut UK farmers unfairly or compromise our high standards. Indeed, our expectation is that the deal will open up opportunities in fast-growing markets across CPTPP countries. I am sure you will wish to come to that later in the session.

**Q53 The Chair:** Indeed, we will come back to the impact of the agreement in relation to other areas of potential exports to the United Kingdom. Lord Kerr will ask about that in a few moments.

Let me just pick up on two points from what you have said so far. You talked about the 15-year period. Can you explain how that is broken down? Things will start to happen during that 15-year period even though the final full effect of the agreement may not be felt until the end of it.

**Lord Grimstone of Boscobel:** Certainly. I have some figures here. They may have already been supplied to your committee, or they certainly can be. I will, if I may, explain exactly what happens during the 15 years, there are three different instruments that are applied over the 15 years. These are designed to protect beef and sheep meat farmers at different stages of the FTA.

The first instrument is known as the tariff rate quota. That lasts 10 years and automatically applies a tariff, starting at around 80% for beef and 53% for sheep meat, to imports above a certain volume threshold. That, of course, is known as the quota. The second instrument from years 11 to 15 is known as a product-specific safeguard. This has a broadly similar effect: it imposes high tariffs of 20% for beef and lamb above a volume threshold. The third instrument, which I mentioned earlier, is the general bilateral safeguard mechanism, which will provide a safety net for industry if it faces serious competition from increased imports.

Now, you asked about capping and staging. I have a table in front of me that sets out the capping and staging volumes for beef and sheep meat. I will not go through the 15 lines of figures. I can make this available to your committee in a letter, but basically, looking at beef, it starts at 33,000; by year 10 it is 110,000; by year 15 it is 170,000. I have the intermediate steps for each year, as I say, and of course I will make that available.

**Q54 The Chair:** Thank you. If you make that available, we will publish that on our website so that others can see it as well. That is a convenient way to do it, if you are happy with that.

Let me just ask one other question about the safeguard mechanism. You said it kicked in if there was a particular deleterious—I forget which word you used—effect from imports. Presumably that is limited to imports from Australia. In other words, if there are deleterious effects from imports from somewhere else, that safeguard would not apply. Is that right?

**Lord Grimstone of Boscobel:** That particular safeguard would not apply, because we are talking in these circumstances of the safeguard in the Australia FTA, but it is a very common feature in FTAs that you have safeguards of this sort. Depending on the circumstances, the country and the product, there may be other safeguards. I was focusing today particularly on the Australia safeguard.

**The Chair:** Forgive me. Would it follow, therefore, that you would seek to introduce that into other new FTAs that you agree?

**Lord Grimstone of Boscobel:** I do not want to pre-empt what appears in future FTAs, but it is commonplace to have safeguards of this sort. If they were negotiated, that would be completely transparent. No doubt I would be discussing it here in front of your committee at some later stage.

**Q55 Baroness Liddell of Coatdyke:** There is a bit of a contradiction in some of your comments, Minister. In your letter to the committee of 6 July you state that the phase in period will give UK farmers "sufficient time to continue to drive productivity improvements".

However, the initial scoping assessment published by the Government at the start of the negotiations estimated that there could be "a contraction in output for agriculture and semi-processed foods" and resources may be reallocated to other sectors in the long run. Is that still the Government's view? What is the nature of the support in this safeguard that is available to the UK agri-food sector to drive productivity improvements so that it can be competitive?

**Lord Grimstone of Boscobel:** Thank you very much for that question. Once I have had a go at it myself, I will bring in James Clarke to add to it. Basically, these scoping assessments, which are of course important documents, are static analyses from the point in time at which they are prepared. They do not take account of future Australian or UK growth or, indeed, productivity increases that might arise from trade liberalisation or shocks over the period.

They also do not, and were not intended to, capture the economic and strategic benefits of this deal as a stepping stone to the CPTPP. We will be able to have a much richer discussion on this following the conclusion of the negotiations on Australia, because at that point a full impact assessment will be published prior to implementation.

It is worth noting that the 15-year period of capped tariff-free imports from Australia extends beyond the time period of domestic reform, which we are expecting in the agricultural sector. That runs from 2021 to 2028. This will allow the UK industry to continue to drive productivity improvements. With permission, I will bring in James Clarke to elaborate further on that.

**James Clarke:** There are a few points to make on that. The first is that the scoping assessment was done before negotiations kicked off. As the Minister says, a full impact assessment will be published when the text of

the agreement is published. That will be the basis of the deal that we have negotiated rather than a hypothetical scoping assessment of what it will set out.

I would also highlight the fact that we are not just talking about price here; we are talking about quality. A significant percentage of supermarkets sell only British beef, and British consumers are incredibly discerning. The Government are incredibly proud of the British farming community and the quality of its produce, which is world-renowned. It is worth bearing in mind that this is not about just price. When consumers make decisions, it is also about the quality and origin of those products.

**The Chair:** That is a helpful observation. Whether it turns out to be the case, we will see. If Baroness Liddell has completed her questioning, can I turn please to Lord Kerr to ask about a very important issue?

**Q56 Lord Kerr of Kinlochard:** In the letter that Baroness Liddell referred to, you told us that the agreement with Australia was not a blueprint for future agreements with other large agricultural producers. "All trade deals are bespoke and different", you said. If I were a New Zealander, a Canadian, an American, a Mexican, a Brazilian, or I came from Ecuador, I might well see the deal you have done with Australia as a precedent.

How will you react if they say, "I'll have what Australia's having"? Is there any argument of principle that you could put forward if you wanted to ring-fence the Australia deal and its agriculture concessions as a one-off?

**Lord Grimstone of Boscobel:** Of course, it is in the nature of negotiations that negotiators try things on and put their best foot forward. Indeed, I would be extremely disappointed if James and Graham did not do likewise for us when they open up negotiations. The fact is—and I say this with huge respect—that no single deal sets a blueprint for future deals. All trade deals are bespoke and different, and all are tailored to the relationships and markets of the countries involved. There is just no one size that fits all.

It would not surprise me if that point were put on the table. I suspect that you and I would do it if we were negotiating on the other side, but I think it will be rebuffed by our negotiators replying that, as I have just quoted, no single deal sets a blueprint for future deals.

**Q57 Lord Kerr of Kinlochard:** What did the Australians concede to us in this negotiation? I do not believe that trade deals are a zerosum game, but I cannot help but notice that in Australia this one is hailed as Australia's greatest ever trade negotiation triumph. They say that they got all they asked for and more than they expected.

Looking for Australian concessions, the only thing that stands out to me is that they have now allowed us, on working visas, the same terms they already had with the French, the Canadians, the Swedes and a few others. Can you tell us what other concessions Australia made in this negotiation?

**Lord Grimstone of Boscobel:** Given that James did the negotiations, I will turn to him. By way of introduction, you and I know what these politicians are like. We have experienced them. We have discussed this in previous committee meetings: they like putting a very brave show on the deals they negotiate, and good luck to them when they do that; this is part of the political process. Let us take it away from the rhetoric, if we may, and come to James to give us some examples of the point you are making.

**James Clarke:** Any trade negotiation is a balanced outcome on both sides. There are a number of areas that we can point to that highlight Australia going far beyond its FTA precedent for the UK. On procurement, it has offered us more than it has offered any other country.

**The Chair:** In what respects?

**James Clarke:** It is in the level of access and the amount of procurement spend federally and in some cases sub-federally. It is a really significant amount. We would love to be able to share with you the absolute details, and we hope to do so very shortly as we finalise those with Australia. That is one example.

As Lord Kerr says, on both professional mobility as well as youth mobility, Australia is doing things for us that it has not done for other countries. It has removed the economic needs test in Australia for Brits. Currently, if you are trying to hire a Brit, you need to go through a bureaucratic process of explaining to the Australian system that you cannot hire a particular person who is already based in the Australian labour market. That test will be removed.

On youth mobility, we are allowing greater access for under-35s. The existing schemes are up to 30. That is an additional five years of age eligibility. We are extending that scheme from two years to three years.

**The Chair:** Which way is that? Is that coming to this country or going to Australia?

**James Clarke:** That is reciprocal. It is increasing to 35. Currently, when UK residents and citizens go to Australia under the Australian working holiday maker scheme, they have to undertake specified work that is predominantly on farms.

**Lord Kerr of Kinlochard:** Yes, Mr Clarke, I understand that, but could you stick to trade flows, goods and services? The reduction in tariffs to zero—I think it is a good thing—is asymmetrical, because Australian tariffs were very low, much lower than ours. What have we secured in goods and services trade flows that is compensating for the asymmetrical reduction on tariffs?

**Lord Grimstone of Boscobel:** Can I jump in before James answers? When we are weighing up the benefits of a free trade agreement, we do not segment it down into chapters. We take a step back from it during the course of negotiations and take a view as to whether the overall

package is to the benefit of the UK. Of course, we would not proceed unless the overall package was to the benefit to the UK.

I am very happy for James to come in and answer that question, but I would make the point that, no matter how skilled his answer is, it is not really relevant to how we judge whether an FTA is good for the United Kingdom.

**The Chair:** Minister, you will know, because we have discussed it before, that one of the concerns this committee has is the extent to which the Government, in negotiating trade deals, are sacrificing quality of deals for quantity, to be able to say that a deal has been done notwithstanding the scepticism that preceded Brexit. But there we are; we have put the question. Let us move on to the next question, please, from Lord Oates.

Q58 **Lord Oates:** Minister, you will be aware that many Australian agricultural goods are cheaper, because they do not follow the same production methods as the UK. Can you provide assurances that the UK will not accept Australian goods that do not comply with the UK's animal welfare standards? For example, will they be prohibited or will they be subject to different tariffs? Can you explain in a bit more detail what the nonregression clause on animal welfare will cover?

**Lord Grimstone of Boscobel:** That is a fair question. I can be absolutely clear about this: this agreement does not create new permissions for imports from Australia. All agri-food imports into the UK under existing or future free trade agreements must comply with our import requirements, as the committee knows. An example that I often give relates to beef that has been treated with hormones. Hormone beef is banned in the UK both domestically and for imports, and nothing in this deal will change that.

Let me give you some more details on the animal welfare non-regression clause. Having secured this commitment to non-regression on animal welfare standards, it means that neither country can lower its animal welfare standards to undercut the other. James, do you want to expand on that at all?

**James Clarke:** It is purely to say that it will cover the full range of animal welfare issues.

**Lord Oates:** Thanks, Minister, for that answer. I understand that point, but you have not entirely answered. No one can lower their standards, but if the standards are already lower, does that not cause unfair competition? I took your point about hormone-treated beef, but there are many other differences in animal welfare standards. Can you just give us a bit more confidence that British farmers with high animal welfare standards are not going to be competing on an unfair basis?

**Lord Grimstone of Boscobel:** I can certainly give that assurance. Animal welfare is looked at through different eyes in different countries, but nobody will be going around saying that the animal welfare standards in Australia are terrible. They obtain a high mark in some of the surveys

that are done on these matters. Of course, in some aspects they differ from our standards, but then the climate, the nature of farming and farming methods are different there.

I would not want people listening to this to somehow think that Australia does not have appropriately good animal welfare standards. I do not think that Australians would recognise that, if we were to say that.

Q59 **Lord Oates:** With respect, the issue is not whether Australia has terrible animal welfare standards; it is whether we have higher animal welfare standards that will be undermined by unfair competition.

I wonder whether I can move on to a separate issue, which is carbon emissions from food production. In concluding and negotiating these trade agreements, has your department done any assessment of the carbon emissions related to the production of beef and lamb, for instance? We understand that average carbon emissions from beef production in the UK are around 17 kilograms of CO<sub>2</sub> per kilo compared with 26 kilograms in the Oceania region. We do not have specific figures for Australia. Do you have those figures? If not, on what basis can we negotiate agreements that also protect the climate?

**Lord Grimstone of Boscobel:** I am afraid that I do not have those figures in front of me. If they exist, I will certainly write to the committee and make sure that you have those figures in front of you.

Q60 **Lord Oates:** Finally, do you feel it is important that the Government understand these sorts of figures when they are negotiating trade agreements? Will the department make efforts to ensure that when it is negotiating future trade agreements, it understands the climate impact of what it is agreeing?

**Lord Grimstone of Boscobel:** I would certainly confirm that, and let me explain why. Quite simply, it is because the UK leads the world in tackling climate change. We were the first major economy to pass new laws for net zero emissions by 2050. We have secured commitments to provisions in this agreement that support and further help the Government's ambition on climate change and achieving net zero carbon emissions by 2050. This topic is front of mind for this Government.

**The Chair:** Let us move on to timescales.

Q61 **Lord Watts:** Can you set out the process for finalising the trade agreement with Australia over the coming months as well as the parliamentary scrutiny deadlines, including laying the agreement in Parliament under CRaG? How will the Government ensure that the Trade and Agriculture Commission—the TAC—will have sufficient time to assess the FTA before ratification?

We understand that the impact assessment will be done three months before. That does not seem to give a great deal of time, bearing in mind that the Christmas Recess will come in between. How can you make sure that everyone is able to take evidence from the stakeholders and that they provide the evidence before this is finally agreed between the

Government and Australia?

**Lord Grimstone of Boscobel:** Thank you for the question. As you know, I am an enthusiast for parliamentary scrutiny of these agreements, because I think the process leads to better agreements. While these agreements are being negotiated, we have completely front of mind that they will be scrutinised by Parliament and that that is not just casual scrutiny but scrutiny that, as we see from members of this committee, is highly expert and highly directed.

In terms of the process that will go forward, there will now be a period of several months where the FTA text is finalised and legally scrubbed. As we have already picked up perhaps in today's session, there are a lot of points that were not finalised at the AIP stage. This will become apparent to the committee when the final text is publicised. We expect that process of finalising the text and legal scrubbing to be signed and published by the end of the year. I do not have a definite time for that, but it is months rather than weeks away.

That will be alongside an independently scrutinised impact assessment and our Explanatory Memorandum. The expectation is that the committee will receive the treaty text, Explanatory Memorandum and the impact assessment shortly before publication. Generally speaking, as you know, that is done on an embargoed basis 24 to 48 hours before. We have now reached the crucial point. We anticipate that there will be a period of at least three months—I stress at least three months—before the publication of the signed FTA and it being laid in Parliament for the purposes of CRaG.

We have to have an appropriate amount of time in order to facilitate scrutiny not just by the relevant parliamentary committees but by the new Trade and Agriculture Commission, which will be up and running by then and has a statutory duty to scrutinise the agreement.

Coming on to the TAC, obviously it will want to do its job properly. Its independent advice will clearly inform parliamentarians as they scrutinise an FTA in advanced of ratification. The role of the new TAC—this is a new kid on the block in terms of our scrutiny arrangements—will be to advise on agreed measures in new full FTAs applicable to trade and agricultural products and UK domestic statutory protections. The TAC will not be advising on the negotiations themselves.

There will be a comprehensive process of scrutiny. As I say, I cannot say exactly when the starting gun will be fired on these different points of it. Very appropriately, even at this stage of the agreement, the committee has been able to call witnesses to give evidence on it. I, of course, am here today. I hope the committee welcomes the time that has been devoted to scrutiny for this particular FTA.

**The Chair:** Just before we move on, can I ask you this? Yes, indeed, but will the TAC be prevented, for example by non-disclosure agreements, from talking to us or, indeed, other parliamentary committees about what

it has learned? There is no point in us being able to talk to witnesses unless they can tell us what their views are, informed by what they have learned about the agreement.

**Lord Grimstone of Boscobel:** I have not addressed that particular point, but I will make sure that it is addressed and I will write to you about it.

**The Chair:** Thank you very much indeed. Lord Watts, I want to move on to the CPTPP because of the time. I wonder whether you will permit me to do that. We will come back to you if there is more time. Forgive me. One aspect of the CPTPP is the side letters which different countries have agreed. Lord Robathan, can I ask you to pick up on that issue and raise it with the Minister, please?

Q62 **Lord Robathan:** First, can I apologise for not being here for the first five minutes? I was unavoidably detained, as they say. Secondly, I should declare that I am a farmer with livestock even now on my farm. Thirdly, could I congratulate you, Gerry, and all the team on what I think is a very exciting and innovative free trade agreement? I am afraid that not everybody shares my enthusiasm for this, which is a pity, but there you go.

The next one is the CPTPP. Could you tell us about the process for negotiations, quite quickly? We have talked before about carve-outs and individual members of the CPTPP having side letters, shall we say. Will we be able to negotiate carve-outs, or do we need to accept the current agreement with the other countries as it is? What might we be looking for?

**Lord Grimstone of Boscobel:** Thank you for that question. I will give a top-line answer and then bring in Graham Zebedee, the chief negotiator. We are pleased with the rate of progress. The first part of the process is under way. This involves us going through a line-by-line demonstration of our compliance with the text, and that is through the accession working group, which I am told is making good progress.

After having concluded the discussion on the rules, the UK then has to submit its initial market offer within a month. There is no precedent for a new country to join the CPTPP, so we do not know when this might take place. Again, my sense is that it is months and not weeks away. We do not think there will be negotiating rounds in the classic bilateral FTA sense.

You are completely right, of course, that this is an existing treaty. We have noted that other partners have used side letters in certain areas. That may be an option that will be available for us to explore, if appropriate, in some cases. I would note that the CPTPP is a high-standards agreement. It is part of the attraction, frankly, for us to join it. It is in our interests to meet these standards and to ensure that future applicant countries can also meet them.

Our public negotiating objectives have been released. I appreciate that the committee will always be searching for more granularity than it gets in our published objectives, but I trust you will understand that I cannot comment on the detail of any ongoing discussions. The question of side letters will certainly be on the table. Can I ask Graham, who is actually doing it, to give a bit more colour on the process?

**Graham Zebedee:** In the first instance, as the Minister said, we have to satisfy the CPTPP parties about our compliance with the rules. After that, it will move into a market access negotiation. I expect some of that to be done with all the parties collectively. I say “parties” here rather than “members”, because, formally speaking, only seven countries of the 11 members have yet ratified, so the negotiation would be with them. The other four non-ratified members would be very interested observers in that. Part of that market access discussion would be with all, but some of it would certainly be individual as well.

As to how long that will take, it is really hard to predict at this stage, but we will be going at it at a good pace from the autumn.

**The Chair:** Can we turn to Lord Kerr to ask a further question on carve-outs?

Q63 **Lord Kerr of Kinlochard:** I would like to ask about an IP carve-out and whether that is possible. A number of witnesses have given evidence to us—rather convincing evidence, I thought—that unless we secured a carveout from the IP chapter, in particular Articles 18.38 and 18.46, we would be obliged to leave the European Patent Convention. The cost of leaving the convention and the European Patent Office has been calculated for us by the Chartered Institute of Patent Attorneys as up to £1 billion a year.

You have written us a reassuring letter, Minister, in which you say that you have no intention of leaving the EPC and the EPO. Does that mean you are confident of securing a carve-out from the CPTPP?

**Lord Grimstone of Boscobel:** Thank you very much for that question. Again, I do not think it wise tactics to express one’s level of confidence on any matter in these agreements while the negotiations are going ahead, but I can make an absolutely clear statement on this, perhaps to put people’s minds at rest. We will absolutely ensure that these accession negotiations with the CPTPP are consistent with the UK’s interests, with the Government’s policies and priorities, and with the UK’s existing international obligations.

I can absolutely confirm that this includes the European Patent Convention—the EPC. The reason for that is that, like the committee, we have heard from a number of practitioners and we absolutely understand that the EPC is hugely important to applicants and the patent attorney profession.

Again, we have released our public negotiating objectives. I know, Lord Kerr, that you would not expect me to go beyond that. I hope that that

confirmation of the importance that we attach to the EPC is helpful to you and others.

**The Chair:** So, Minister, you will do what it takes to make sure that the EPC remains extant so far as the UK is concerned.

**Lord Grimstone of Boscobel:** Yes, that is the drift of my words.

Q64 **Lord Lansley:** Can I draw attention to the fact that I am the UK chair of the UKJapan 21st Century Group, in relation to CPTPP discussions?

Minister, can I turn you to the question of medicines pricing? You were very clear in your letter to us that the price the NHS pays for its medicines would be protected and was not up for negotiation. The British Generic Manufacturers Association and the British Biosimilars Association, the producers of generic and biosimilar medicines, say that there is a mandatory notification procedure in Article 18.53 of the trans-Pacific partnership agreement. If implemented, they take the view that this could significantly delay the introduction of generics and biosimilars in the NHS and hence increase prices; as you know, we are a world leader in terms of generic purchasing in the NHS. I wonder how you reconcile these things.

**Lord Grimstone of Boscobel:** Thank you for the question. I hope I can put people's minds at rest on this. Again, I am happy to make a definitive statement on it. In our negotiations to join the partnership, we will not accept any outcome that delays generics entering the market and, therefore, increases the cost of medicines for the NHS. We have set out this position clearly in our public negotiation objectives.

I know the committee understands that I cannot comment on the detail of any ongoing discussions, but it is very clear that the UK has an effective existing system in this area, and we will not agree to any provisions that increase the cost of medicines for the NHS. I hope that is sufficiently reassuring for you.

**The Chair:** I will move to Lord Foster, please. Lord Foster, do feel free to ask about the EPC, which I could tell that you were thinking about as the Minister was answering recent questions.

Q65 **Lord Foster of Bath:** Minister, I am really sorry to keep pressing on the issue of carveouts already raised by Lord Robathan and Lord Kerr, but I would just mention in passing that your answer in relation to the EPC, I felt, was a bit concerning. Of course, there is currently a huge conflict between the CPTPP arrangements in terms of the grace period and those of the EPC. The decision as to whether we are allowed to remain does not rest with us. If that conflict continued, presumably there is a good chance that we would be thrown out, even if we did not want to be. Perhaps you could write to us on that, because I know time is short.

If I may, I will raise one other carve-out issue, it is a more general one about cultural policies. As you know, this covers things like tax credits, government contributions, broadcasting content, quotas, limits on foreign

ownership and so on. That is why most trade deals have very specific cultural exceptions. In the case of the CPTPP there is no such cultural exception, so how are we going to protect our cultural policies?

**Lord Grimstone of Boscobel:** To give the committee a little rest from hearing my voice, I might just turn straight to Graham Zebedee to see whether he can help on that.

**Graham Zebedee:** I agree that there are some trade agreements, particularly EU trade agreements, where a cultural exception has been gained. I note that, in the CPTPP, Canada secured such a thing there.

As the Minister said, we are not in a position to say precisely what we will do in this area. In our public documents, we have already reinforced the value that the Government attach to this area to ensure that people understand that we are not going to be doing anything through this negotiation that undermines that sector. To talk about the precise means by which we would do that would be going further than we have said publicly.

Q66 **The Earl of Sandwich:** Minister, this is a very easy question. We do not have a countrybycountry breakdown of export opportunities. How do the Government estimate the new opportunities that farmers could benefit from in each of the TPA countries? What about an estimate of overall export growth? Can you give us specific figures for each member country? We would be happy to have this in writing, though, if that is easier.

**Lord Grimstone of Boscobel:** Let me just answer that very briefly, because I am conscious of the time. In 2019, 3.7% of UK exports to CPTPP were in the agri-food sectors. These countries are forecast to account for 25% of all global import demand for meat by 2030. As I have said previously, we think this will open up new opportunities for our world-class farmers.

In the department, we are presently undertaking further analysis on export growth by sector. Of course, we would be very happy to supply that information and to update that committee once that work is completed.

**The Earl of Sandwich:** Do you know when that might be completed?

**Lord Grimstone of Boscobel:** I do not know whether Graham can help me on that. Do you have a date, Graham?

**Graham Zebedee:** I do not, I am afraid. I am sorry.

**Lord Grimstone of Boscobel:** We do not. When I do my normal round-up letter to the Lord Chair after this meeting, I will try to get that information in that letter.

Q67 **Lord Gold:** Thank you, Minister, for coming along today. My question also relates to CPTPP members. Some have not ratified, as we know, and

an important one is Malaysia. Given the significant economic opportunities of a trade agreement with Malaysia, do the Government anticipate that Malaysia will soon ratify the CPTPP? If so, what is the timescale? If that does not happen, is there any chance of us doing something separately?

**Lord Grimstone of Boscobel:** Thank you for the question. Let me answer that briefly. As you can imagine, we are in very close touch with Malaysia. Malaysia is, of course, both a friend and a Commonwealth partner. We expect that it will ratify, but the timing is difficult to predict at present. It would not be appropriate or, indeed, helpful for me to speculate on it, but we expect that it will ratify in due course.

Q68 **Lord Watts:** My question is about the threemonth period that may well go into the Christmas Recess. Do we think that will be three months of real time, or will part of it be taken up by the Christmas Recess?

**Lord Grimstone of Boscobel:** There would probably be a riot, not least from the new Trade and Agriculture Commission, if it was told that it had to work throughout Christmas on its first task. I daresay some pragmatism will creep into this in relation to the actual dates and the timetabling of this.

**The Chair:** That brings our public session to an end. Minister, I would like to thank you, Mr Zebedee and Mr Clarke for the answers that you have given. There are some points to follow-up on, and you have kindly already agreed to do that. Any responses that you give will be published so that anyone who has been watching this can follow it.

**Lord Grimstone of Boscobel:** May I make a 30-second commercial, if that would be appropriate? I promise it will be just 30 seconds.

**The Chair:** Yes, of course.

**Lord Grimstone of Boscobel:** By chance, we have launched today our public consultation on the developing countries trading scheme. This is a huge opportunity to grow free and fair trade with developing nations. I thought you would not mind if I just mentioned that, so that any of the listeners to this can be aware of it. We would like as many responses as possible to that consultation. Thank you for your kindness in allowing me to do that.

**The Chair:** That is helpful. Thank you for raising that.