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22 December 2022

Dear Angus,

I hope you found the session on 30 November constructive and informative. I am writing to follow up on a number of points that we discussed during the session.

Lloyd Russell-Moyle asked whether the **procurement** chapter text of the Australia Free Trade Agreement differs from the text of the World Trade Organization's Agreement on Government Procurement (GPA), and if that deviation introduces uncertainty. I confirm that the GPA baseline remains intact and that the Australia agreement goes beyond that standard. This issue arose from the Trade (Australia and New Zealand) Bill's public bill committee stage and the then Bill Minister, Sir James Duddridge, wrote to the committee to clarify our position. This letter is available in the Commons Library, and I have also attached to this correspondence for ease of reference.

Paul Girvan asked how many **vacancies** we currently have in our trade negotiations teams. The most recent data shows that we have 50 vacancies in our Trade Negotiations Group, excluding legal and analytical resource, and resourcing elsewhere in DIT that support Trade Negotiations on an ad hoc basis. Vacancies are calculated by the total headcount allowance in those areas minus the number of staff in post at that date. Of these, there are 24 live onboarding cases as of November 2022 and more roles being recruited. DIT has a successful track record of growing capacity and capability through successful recruitment, which was recognised in the 2021 NAO report on Progress with Trade Negotiations.

You asked about the comparison of **UK GDP per capita** with Ireland, Iceland, Denmark and Norway. The recent assessment from the International Monetary Fund which set out these figures can be found here[1]. There are many factors that affect GDP per capita - differences in population and population growth, physical capital (such as infrastructure availability), human capital (including the skill base of the population) and technology (including knowledge stock and investment in R&D) can all drive differences in GDP per capita and changes over time.

[1] https://www.imf.org/en/Publications/WEO/weo-database/2022/October

Although GDP per capita is an indicator of economic performance, caution should be applied in using it as a measure of living standards or economic wellbeing to compare across countries. Firstly, it gives no indication of how GDP is distributed between citizens. Secondly, in some countries the value of production differs from the income of residents. For example, there may be a significant number of non-resident border or seasonal workers or inflows and outflows of property income. Both cases would imply GDP per capita over or understates living standards.

You also asked whether we have figures for the **GDP gain from our new FTAs**. Agreements with Japan, Australia and New Zealand (expected to increase UK GDP by 0.07%, 0.08% and 0.03% respectively compared to not having an agreement with these countries) are part of a set of deals with 71 countries outside the EU that the government, led by my department, has negotiated. These partners accounted for £240bn of UK bilateral trade in 2021. The estimates published in individual impact assessments for these deals cannot be summed, but figures are available for each agreement in its published impact assessment.

Lloyd Russell-Moyle asked for more information on the **DIT-Barclays partnership.** It's important to note that the agreement with Barclays is not exclusive and we are in discussions with other UK retail banks to agree similar partnerships but focusing on different areas. Barclays and DIT have worked together successfully over several years to promote trade and export opportunities and has had an agreement with the bank since 2016 when the Department was known as UKTI. DIT launched a refreshed partnership agreement with the bank in June 2022 to broaden, deepen and sharpen efforts to drive increased exports and trade and investment opportunities for UK businesses of all sizes. As part of the agreement, DIT is working with Barclays on a number of initiatives including 'Meet the Expert' roundtables, thought leadership and webinars, to promote exporting and overseas opportunities to Barclays clients and other businesses across the UK in all sectors and all sizes.

The online content being developed will be available to all of Barclays' 1 million business banking customers, along with non-customers who will be able to access via their website. 12 round table events will be held in 2023 (10 in English regions, 1 in Scotland and 1 in Wales), with 70-80 small businesses expected to be in attendance at each event. There is no financial cost to DIT for the partnership agreement. Any associated running costs will be absorbed by Barclays.

The UK Export Finance (UKEF) aspect of the agreement between Barclays and the DIT focuses on work that was already under way to raise awareness of UKEF products delivered in association with Barclays. UKEF has worked closely with Barclays and a number of other banks (including high street banks and other non-bank financial institutions) to deliver its products to support exporters. UKEF will continue to work with Barclays and other banks to deliver existing products and to consider the development of new facilities to offer wider support. This aspect of the partnership between DIT and Barclays does not entail any cost from UKEF. UKEF and DIT are also working together directly to develop engagement that enhances the market awareness an knowledge of UKEF products regarding their impact on the trade cycle in general.

Mick Whitley raised the **Energy Charter Treaty (ECT)** and particularly the scrutiny process. ECT is the responsibility of the Department for Business, Energy and Industrial Strategy, with DIT leading on the investment provisions within the treaty.

The UK is monitoring the developments on the modernisation process, which is ongoing.

Finally, you asked about the **trade modelling review**. In our session I confirmed that the recommendations are being implemented and we will publish the government response to the modelling review in due course. I would note that the changes that we have implemented to date have also been explained in the technical material of the scoping assessments and impact assessments published since the modelling review concluded.

I hope you find this further information useful. We agreed to meet again in around three months' time and my officials will be in contact with your clerks to agree a date. I look forward to our ongoing engagement.

Best wishes,

THE RT HON KEMI BADENOCH MP
Secretary of State for International Trade & President of the Board of Trade