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Alicia Kearns MP
Chair, Foreign Affairs Committee
House of Commons
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13 July 2023

Dear Alicia,

Follow-up from the 12 June session – Indo-Pacific Tilt

Thank you for your letter of 27 June requesting further clarifications following my appearance before the Committee on 12 June. I am aware the Committee wishes to conclude its inquiry into '*Implementing the Integrated Review: Tilt to the Indo-Pacific*.' To that end, this letter focuses on your questions relating to this aspect of my evidence. A letter will follow shortly covering the Ukraine Recovery Conference 2023, Roman Abramovich and the other matters that arose.

Critical minerals

The Committee asked about the Government's investment into **critical minerals**. We have a range of targeted funding mechanisms in place supporting projects that actively build innovative, resilient critical mineral value chains in the UK and contribute to our clean energy transition. For example, the UK Research and Innovation CLIMATES fund was launched on 27 February 2023 with an initial £15 million to focus on making the UK's Rare Earth Element (REE) supply chains more resilient. A £65.5 million Accelerate-to-Demonstrate (A2D) Facility, under the umbrella Clean Energy Innovation Facility (CEIF) platform, includes a dedicated funding pillar on technology innovations for critical minerals in developing countries. In other cases, the Government's support on critical minerals is through support to wider industries (e.g. automotive) and therefore not possible to extrapolate a single figure. We are also working with international partners such as the G7, signing a memorandum on the production of green hydrogen and critical minerals with Kazakhstan in March and a Critical Minerals Statement of Intent with Australia in April.

China

On the matter of the **Vienna Convention** and the incident in Manchester, HMG pursued this matter in line with the provisions of the Vienna Convention on Consular Relations (VCCR) and the UK's bilateral convention on consular relations with China covering the Consulate-General in Manchester. In the course of their investigation, the police were ready to question individuals from the Consulate-General. In line with the relevant provisions of the VCCR and bilateral convention, the FCDO requested the Chinese Government waive the immunity of those individuals to enable the interviews to take place and gave the Chinese Government one week to comply. As a result of our actions and messaging, China decided to withdraw the individuals concerned rather than waive their immunity. The VCCR and bilateral consular convention allow the UK and China to withdraw members of a consular post at any point. We had been clear with China from the outset that we were prepared to take further action should the police determine that there was a case to investigate officials for their involvement in the incident. All foreign diplomats and consular staff in the UK are obligated to comply with UK law regardless of their privileges and immunities. Our firm diplomacy and our actions demonstrate the seriousness with which we took this incident, and the correct outcome has now been reached.

Regarding your specific questions on the **Police investigation** and the role of the **Crown Prosecution Service** (CPS), we understand that Greater Manchester Police carried out an investigation into alleged assault and public order offences following an event outside the Chinese Consulate, Manchester on 16 October 2022. This was an operational matter for the police. We are not in a position to comment upon the CPS' involvement, if any, in this matter.

India

India is an important trading partner for the UK and deepening the UK-India relationship, including the strengthening of trade ties, is a priority for us. With trade totalling £35.9 billion in the four quarters to the end of Q4 2022, a UK-India FTA will further boost an increasingly fruitful relationship between the two nations, contributing to DBT's ambition to double trade with India by 2030.

We remain committed to the promotion of universal **human rights** and when we have concerns, they are raised directly with partner governments, including at Ministerial level. This is undertaken separately to negotiations of Free Trade Agreements, although they are of course part of building open and trusting relationships with important partners. The UK Government has a broad and deep partnership with the Government of India and we discuss all elements of our relationship, including concerns where we have them.

In line with our international obligations, we will continue to ensure a high level of protection of labour standards in new trade agreements. We have been clear that trade does not have to come at the expense of labour standards and this is reflected in UK trade policy.

We have provisionally closed a Trade and Gender Equality chapter in which we have agreed to undertake cooperation activity. This activity may enhance the competitiveness of women-owned and women-led SMEs to better enable them to participate in international trade.

The UK-Australia **Supply Chain Resilience** Initiative engages interested countries to develop and improve public sector approaches to managing critical supply chain risks. It is not a mechanism through which to source critical goods from Australia.

The UK is seeking to utilise India's 2023 G20 Presidency as an opportunity to strengthen bilateral relations and develop a better understanding of India's priorities in relation to supply chain resilience. The UK is supportive of the priority India is giving to global value chains at the G20 and will look for opportunities to support India in delivering tangible outcomes in this space.

IPEF/RCEP

In May 2022, the US launched the **Indo-Pacific Economic Framework for Prosperity (IPEF)** in Tokyo. In addition to the US, IPEF includes thirteen Indo-Pacific nations: Australia, Brunei, Fiji, Japan, India, Indonesia, Malaysia, New Zealand, the Philippines, Republic of Korea, Singapore, Thailand, and Vietnam.

The framework is composed of four separate pillars covering fair and resilient trade; supply chain resilience; clean energy, decarbonisation and infrastructure; and tax and anti-corruption.

According to the US, IPEF 'will offer tangible benefits that fuel economic activity and investment, promote sustainable and inclusive economic growth, and benefit workers and consumers across the region' (USTR, May 2022). Responses from IPEF members have indicated that they welcome the US's engagement with the region, but that the lack of a market access offer within IPEF could be a barrier.

There have been four rounds of IPEF negotiations so far among IPEF members, with the most recent negotiating round taking place between 15 and 18 May in Singapore.

At this stage of negotiations, we are unable to assess the value of IPEF. However, it is worth noting that in 2021, $38.4 trillion or 40% of World GDP came from countries within IPEF. They also accounted for $7.9 trillion or 34% of global imports in 2021.

The UK was not invited and did not expect to be invited to join IPEF. However, we welcome IPEF as a demonstration of serious US re-engagement in trade and economic security in the Indo-Pacific, following their exit from the Trans-Pacific Partnership (predecessor to CPTPP). We agree on the importance of the issues prioritised through this new initiative, notably supply chains and digital economy rules and we are already working with partners in the region and the US on such matters.

The Regional Comprehensive Economic Partnership (RCEP) is a plurilateral agreement between 15 Asia-Pacific countries signed on 15 November 2020. RCEP includes Australia, Brunei, Cambodia, China, Indonesia, Japan, South Korea, Laos, Malaysia, Myanmar, New Zealand, Philippines, Singapore, Thailand and Vietnam.

According to the World Bank, the agreement covers 30% of the world's population and about 30% of global GDP.

As a liberal and open economy and a supporter of free and rules-based trade, the UK takes a close interest in RCEP. While we do not currently envisage the UK seeking to join RCEP, we are committed to enhancing trade with our partners in the region. We are currently focusing on the final steps of our accession to the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) and completing our existing trade negotiation commitments.

CPTPP is a much deeper agreement than RCEP and we believe will set standards globally on a wide number of areas.

AUKUS

On the possibility of partners such as Japan and the Republic of Korea joining the second pillar of **AUKUS**, in a Leaders' Statement published in April 2022, trilateral partners confirmed that, as our work progresses on AUKUS Pillar Two and other critical defence capabilities, we will seek opportunities to engage allies and close partners. This remains the position of the Government.

Yours ever,

THE RT HON. JAMES CLEVERLY MP
Foreign, Commonwealth and Development Secretary