

The Rt Hon Liam Byrne MP
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Dear Liam,

I am writing to update the Committee on progress towards a Free Trade Agreement (FTA) with the Gulf Cooperation Council (GCC).

As set out in my previous letter of 24 September, negotiations with the GCC resumed on 24 September. Since then, the UK has held continuous virtual and in person negotiations, with a full GCC delegation visiting London during the week of 21 October. Plans are also underway for a UK delegation to visit Riyadh during the week of 11 November.

To progress negotiations, I had productive discussions with my counterparts in Saudi Arabia last week whilst attending the 2024 Future Investment Initiative in Riyadh. This was ahead of the Secretary of State for Business and Trade's visit to Qatar later in the week to attend the GCC Trade Ministers' meeting on 31 October. This event provided a good opportunity to discuss key issues and the UK's expectations on how to move negotiations forward.

Talks throughout the autumn have continued to be constructive, with good momentum from the GCC, which has enabled further treaty text to be agreed. The focus from both sides is on achieving a modern and commercially meaningful agreement.

A mutually beneficial FTA between the UK and the GCC will deliver economic growth, higher wages and new investment. A deal will deliver targeted growth that could increase bilateral trade by 16%, potentially adding an extra £8.6 billion a year to trade between the UK and GCC countries in the long run. This £8.6 billion is on top of the £57.4 billion worth of trade that we already have.

Negotiators have made good progress since September and covered most areas of the negotiation, including but not limited to:

Services, Investment and Digital

Detailed technical discussions have been held across these areas, narrowing down outstanding issues in the text and setting out expectations for market access schedules. Investment remains a key area of interest for both sides, recognising the levels of inward and outward investment between the UK and GCC countries.

A digital chapter, alongside provisions relating to innovation, reflect the shared ambition for a future-facing deal, that can respond to the changes that technology will continue to bring to the global economy.

Goods

Negotiators resumed discussions on goods market access with the aim of achieving commercially meaningful outcomes. This is an important area for both sides, and we continue to press for further progress on key UK interests and look forward to building on these discussions in the coming weeks. We also made good progress in technical discussions on Rules of Origin and are working constructively with the GCC to narrow down outstanding issues in the text.

Environment and Labour

Negotiators continued to have constructive discussions on areas of sustainability including Environment and Labour.

I value the important role that the Committee plays in the scrutiny of the government's ambitious trade agenda. We will continue to ensure that Parliament is appropriately updated whilst also ensuring we protect our negotiating position.

The Chief Negotiator for the UK-GCC negotiations will be holding a private briefing with Committee members on 25 November. This session will provide an update on the progress of the negotiations and offer an opportunity to address any questions you may have.

Yours sincerely,

A handwritten signature in black ink, reading 'Douglas Alexander'.

THE RT HON DOUGLAS ALEXANDER MP
Minister of State for Trade Policy and Economic Security
Department for Business and Trade