

HOUSE OF LORDS

International Agreements Committee

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8th Report of Session 2019–21

**Scrutiny of international  
agreements: Free Trade  
Agreement with Turkey, Air  
Services Agreement with  
Iceland, and Headquarters  
Agreement with the Square  
Kilometre Array Observatory**

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### *International Agreements Committee*

The International Agreements Committee is appointed by the House of Lords in each session to consider matters relating to the negotiation, conclusion and implementation of international agreements, and to report on treaties laid before Parliament in accordance with Part 2 of the Constitutional Reform and Governance Act 2010.

### *Membership*

The Members of the International Agreements Committee are:

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### *Declaration of interests*

See Appendix 1.

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## SUMMARY

This is the International Agreements Committee's eighth report on treaties, or international agreements, laid before Parliament in accordance with section 20 of the Constitutional Reform and Governance Act 2010 (CRAG).<sup>1</sup>

This report addresses the following Agreement, considered at the meeting of the Committee on 24 March 2021, which we draw to the special attention of the House:

- Free Trade Agreement, done at Ankara on 29 December 2020, between the United Kingdom of Great Britain and Northern Ireland and the Republic of Turkey (with Exchange of Letters) (CP 372, 2021)

We draw the UK-Turkey Agreement to the special attention of the House because it is politically important and because, although its over-arching objective is to maintain provisions in the precursor EU-Turkey agreements (collectively known as the 'EU-Turkey Arrangement') it differs in certain important respects from them. Firstly, it converts the EU-Turkey customs union agreement into a standard free trade agreement, thus introducing rules of origin requirements on industrial goods traded between the UK and Turkey. Secondly, because of Turkey's close alignment with the EU, the precursor Arrangement includes commitments in a range of areas, including technical barriers to trade, competition policy and subsidies, which are excluded from the UK-Turkey Agreement. Some provisions of the Agreement also rely on the EU-UK Trade and Cooperation Agreement (TCA) and are subject to review after the TCA enters into force. Finally, although not a departure from the underlying EU-Turkey Arrangement, the Agreement does not address human rights and workers' rights issues.

This report addresses two further Agreements, considered at the same meeting, which we report for information:

- Agreement, done at Reykjavik on 9 December and London on 16 December 2020, between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Iceland concerning Air Services (CP 386, 2021)
- Headquarters Agreement, done at London on 3 February and Paris on 9 February 2021, between the Government of the United Kingdom of Great Britain and Northern Ireland and the Square Kilometre Array Observatory (CP 396, 2021)

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<sup>1</sup> On 28 January 2021, the International Agreements Committee succeeded the EU International Agreements Sub-Committee, which from April 2020 had responsibility for scrutinising all international agreements laid before Parliament under CRAG. Previous reports on treaties considered by the International Agreements Sub-Committee can be found on the Treaty page of the Parliament website at: <https://treaties.parliament.uk/>

# Scrutiny of international agreements: Free Trade Agreement with Turkey, Air Services Agreement with Iceland, and Headquarters Agreement with the Square Kilometre Array Observatory

## CHAPTER 1: AGREEMENT REPORTED FOR THE SPECIAL ATTENTION OF THE HOUSE

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Free Trade Agreement, done at Ankara on 29 December 2020, between the United Kingdom of Great Britain and Northern Ireland and the Republic of Turkey (with Exchange of Letters) (CP 372, 2021)<sup>2</sup>

1. The Free Trade Agreement between the UK and Turkey (the UK-Turkey Agreement) was laid on 24 February 2021, and the scrutiny period is scheduled to end on 15 April 2021. It was considered by the Committee on 24 March 2021.
2. The UK-Turkey Agreement seeks to preserve, as far as possible, the trade relationship the UK and Turkey had while the UK was a member of the EU. The EU-Turkey trade relationship is governed by a set of agreements and legal instruments, which the Explanatory Memorandum collectively calls ‘the EU-Turkey Arrangement’. These include the EU-Turkey Customs Union,<sup>3</sup> the Preferential Agreement on Agriculture,<sup>4</sup> and the Preferential Agreement on Coal and Steel.<sup>5</sup> Turkey’s close trading relationship with the EU has meant that existing arrangements could not be fully transitioned. For example, the Customs Union agreement had to be recast as a standard free trade agreement between the UK and Turkey, resulting in the introduction of new rules of origin requirements, as set out in paragraphs 9 to 16.

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2 Free Trade Agreement, done at Ankara on 29 December 2020, between the United Kingdom of Great Britain and Northern Ireland and the Republic of Turkey (with Exchange of Letters), CP 372, 2021: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/963851/CS\\_Turkey\\_1.2021\\_UK\\_Turkey\\_Free\\_Trade\\_Agreement.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/963851/CS_Turkey_1.2021_UK_Turkey_Free_Trade_Agreement.pdf) [accessed 19 March 2021]

3 Decision 1/95 of the EC-Turkey Association Council of 22 December 1995 on implementing the final phase of the Customs Union (OJ L 35/1, 13 February 1996)

4 Decision No 1/98 of the EC-Turkey Association Council of 25 February 1998 on the trade regime for agricultural products (OJ L 86/1, 20 March 1998). The Agriculture Agreement covers unprocessed or raw commodity agricultural products and is set out in Decision No 1/98 of the Association Council. The EU-Turkey Customs Union covers processed agricultural products but does not cover raw agricultural products.

5 The Coal and Steel Agreement results from an Agreement of 25 July 1996 between Turkey and the then still existing ECSC (OJ L 227, 7 September 1996). Those products are now covered by the EC Treaty but remain outside of the scope of the customs union. Rules of origin are laid down in its Protocol No 1, as amended by Decision No 2/99 of the ECSC-Turkey Joint Committee (OJ L 212, 12 August 1999).

3. The UK-Turkey Agreement has been provisionally applied since 1 January, pending the completion of full ratification procedures by the Parties. The Agreement will enter into force once diplomatic notes have been exchanged confirming that all legal requirements have been completed.
4. In line with the underlying EU-Turkey Arrangement, it focuses on trade in goods. It is therefore not a comprehensive free trade agreement: it does not cover services trade, investment, substantive public procurement provisions, or digital trade.
5. It is important to note that the UK-Turkey Agreement is not intended to be permanent, but contains a review clause committing the Parties to begin a review no later than two years after it enters into force. The aim is to develop an enhanced agreement, with the review covering, among other things, trade in services, agricultural goods, investment, subsidies, labour issues, anti-corruption, sustainable development<sup>6</sup> and climate change. The Joint Committee set up under the Agreement (see paragraph 42) is responsible for identifying barriers to an enhanced agreement and setting timescales for their resolution.<sup>7</sup>
6. **While reflecting the EU Arrangements, substantial areas that would usually be covered in a comprehensive free trade agreement are excluded from the UK-Turkey Agreement. Instead, a review is set to start within two years to enhance the Agreement. Given the scope of the areas subject to this review, we call on the Government to undertake an early public consultation on proposals for an enhanced agreement, and to publish its negotiating objectives. We identify throughout this report a number of areas to be considered for inclusion.**

*The UK's trading relationship with Turkey*

7. An overview of UK-Turkey trade is provided in Box 1.

**Box 1: UK trade with Turkey**

Turkey is the UK's 19th largest trading partner, accounting for 1.3% of total UK trade. In 2019 trade in goods and services between the UK and Turkey was worth £18.6 billion.

**Trade in goods**

The UK imports more goods than it exports, with £7.7 billion worth of exports, compared to £10.9 billion of imports in 2019. Top goods exports to Turkey include machinery and mechanical appliances, precious stones and metals, iron and steel, and vehicles. Top goods imports include vehicles, machinery and mechanical appliances, electrical machinery and equipment, and articles of apparel and clothing.<sup>8</sup>

6 Although human rights are not referenced explicitly, modern trade agreements usually include human rights provisions within a sustainable development chapter. Further information on human rights can be found at paragraphs 36–40 of this report.

7 Article 13.2 Review and further negotiations, Chapter 13 Final Provisions

8 Department for International Trade, *Continuing the United Kingdom's Trade Relationship with the Republic of Turkey* (31 December 2020), p 9: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/948936/ccs1220781734-turkey-trade-pr-accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/948936/ccs1220781734-turkey-trade-pr-accessible.pdf) [accessed 25 March 2021]

### Trade in services

In 2019, the UK imported £1.9 billion in services and exported £1.6 billion in services to Turkey. Top services exports to Turkey include travel, transportation, and other business services. Top services imports include travel, other business services, and financial services.<sup>9</sup> Neither the UK-Turkey Agreement, nor the EU-Turkey Arrangement, covers services.<sup>10</sup>

### Tariffs and customs

8. Most of the tariff preferences found in the EU-Turkey Arrangement have been replicated, with only minor exceptions. The UK-Turkey Agreement replicates existing tariff preferences for goods covered by the Agriculture Agreement and the Coal and Steel Agreement, with minor changes. On agricultural goods, the Parliamentary Report published alongside the Agreement notes that the UK has agreed not to roll over complex agricultural tariffs, such as the entry price system,<sup>11</sup> to imports from Turkey. The multiple tariff schedules under the EU-Turkey Arrangement have been consolidated into a single tariff schedule in the UK-Turkey Agreement.<sup>12</sup> Turkey also applies unilateral preferences to the EU on a significant number of tariff lines and has committed to apply these preferences to the UK.<sup>13</sup>
9. While most tariff preferences under the EU-Turkey Arrangement have been replicated, the UK-Turkey Agreement contains one substantial difference: it does not roll over the EU-Turkey Customs Union.<sup>14</sup> Instead, it follows a typical free trade agreement model, introducing new rules of origin requirements on industrial goods traded between the UK and Turkey.
10. The Agreement contains provisions to facilitate customs procedures, and the Parliamentary Report explains that “HM Government has worked closely with Turkey to ensure that customs processes are as simple, clear, and predictable as possible, and that any changes do not affect current trade flows”.<sup>15</sup> Nonetheless, the departure of the UK from the EU-Turkey Customs Union means businesses have had to familiarise themselves with new rules of origin requirements. There will also be an administrative cost attached to the completion of new customs paperwork. The Parliamentary Report acknowledges that this could have “substantive impacts on trade in goods that were previously traded within the Customs Union”.<sup>16</sup>

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9 *Ibid.*, p 10

10 *Ibid.*, p 11

11 The precursor EU-Turkey Arrangement contains an entry price system (EPS), which applies to 15 types of fruit and vegetables from Turkey, ensuring that during the European growing seasons an additional duty is charged if fruits and vegetables imported are below a pre-determined entry price.

12 Department for International Trade, *Continuing the United Kingdom's Trade Relationship with the Republic of Turkey* (31 December 2020), p 17: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/948936/ccs1220781734-turkey-trade-pr-accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/948936/ccs1220781734-turkey-trade-pr-accessible.pdf) [accessed 25 March 2021]

13 *Ibid.*

14 A customs union provides for the free movement of goods between members and sets up a common external tariff for imports from non-members. The EU is in a partial customs union with Turkey that excludes agricultural and coal and steel products.

15 Department for International Trade, *Continuing the United Kingdom's Trade Relationship with the Republic of Turkey* (31 December 2020), p 27: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/948936/ccs1220781734-turkey-trade-pr-accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/948936/ccs1220781734-turkey-trade-pr-accessible.pdf) [accessed 25 March 2021]

16 *Ibid.*, p 18

11. It is difficult at this early stage to assess how effective the new customs and trade facilitation processes will be in minimising the administrative and operational costs on UK businesses trading with Turkey. As MakeUK<sup>17</sup> told us in its written evidence:

“It will be important for key sectors such as automotive and textiles supply chain operators to receive confirmation and adapt to the necessary changes in administration and business operations. As a consequence of the agreement, it is important to ensure that there is as seamless a transition as possible from the customs environment under the EU-Turkey customs union to the bilateral UK-Turkey free trade agreement.”<sup>18</sup>

12. Some sectors will be more affected than others, and MakeUK said that the sectors most vulnerable to the changes were processed foodstuffs, materials, textiles, advanced manufacturing, manufacturing and electronics, chemicals, and the automotive sector. MakeUK indicated that the increased complexity of the new arrangements could result in businesses losing out, stating: “There is the potential impact for complications arising from the Rules of Origin provisions for UK and Turkey business and [that] could quickly lead to the loss of preferential tariffs being placed on bilateral business.” MakeUK highlighted that the new arrangements will impose additional burdens on UK firms, such as having to identify the complete economic origins across supply chains and understand transformation requirements to meet cumulation thresholds. It indicated that the bilateral cumulation provisions are helpful for some sectors, but noted that if businesses fail to meet cumulation requirements, they will be vulnerable to the imposition of high tariffs.<sup>19</sup>
13. The Society of Motor Manufacturers and Traders (SMMT) told us that several UK automotive businesses have reported significant challenges and increased burdens since the Agreement was provisionally applied. In particular, Turkish importers are being asked to pay import tariffs or provide financial guarantees on UK automotive imports until the Agreement is fully ratified, to be reimbursed by the Turkish authorities following ratification. SMMT indicated that this would have an immediate impact on the competitiveness of UK exports.<sup>20</sup>
14. UK automotive exporters have also faced additional burdens related to origin certificates. SMMT explained that pending ratification, Turkish authorities are no longer accepting one origin declaration for multiple shipments, increasing the paperwork that UK exporters must complete. SMMT noted that it was unclear whether exporters were in fact required to sign each individual origin declaration, and recommended that the UK Government collaborate closely with Turkish authorities to minimise the burden on exporters.<sup>21</sup>

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17 MakeUK is a trade association for UK manufacturing businesses

18 Written evidence from MakeUK ([TFT0001](#))

19 *Ibid.*

20 Written evidence Society of Motor Manufacturers and Traders (SMMT) ([TFT0003](#)). The Society of Motor Manufacturers and Traders (SMMT) is the UK trade association representing the automotive industry.

21 *Ibid.*

15. Despite these problems, on 16 March 2021 Ford announced that its Dagenham Plant would manufacture and supply diesel engines for assembly in Turkey, highlighting the UK-Turkey Agreement as “extremely significant”.<sup>22</sup>
16. **Some UK businesses are likely to face new burdens and costs now that the UK is no longer a member of the EU-Turkey customs union. We call on the Government to provide an assessment of the impact and additional costs this shift in the UK-Turkey relationship will have on UK businesses and supply chains. While we welcome the guidance provided by the Government on how to import from and export to Turkey,<sup>23</sup> we recommend the Government provide support to help smaller firms navigate the new requirements for UK-Turkish trade.**

*Extended cumulation and PEM Convention*

17. The Agreement temporarily introduces an extended cumulation of origin, allowing both Parties to recognise content from the EU and other countries in the pan-Euro-Mediterranean preferential rules of origin (the PEM Convention)<sup>24</sup> as originating in the UK or Turkey in exports to one another. The Agreement also allows EU processing to be cumulated, with the exception of textiles processing.<sup>25</sup>
18. The extended cumulation of origin, however, does not apply to UK or Turkish content in goods exported to the EU. This is because the UK-EU Trade and Cooperation Agreement (TCA) does not provide for UK content to be recognised as EU content in trade with common trade partners, nor does it allow for the cumulation of third-party content in trade between the UK and EU.<sup>26</sup>
19. SMMT explained that automotive supply chains are highly integrated across the UK, Turkey and the EU, with Turkish assembly plants importing a steady supply of UK engines, which are used in passenger cars and commercial vehicles that are then shipped from Turkey to the EU and also back to the UK.<sup>27</sup> The new arrangements will thus present a significant challenge: for example, UK businesses that import Turkish vehicles to be customised into wheelchair-accessible vans and subsequently export them to the EU are now likely to face EU tariffs.

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22 Ford, ‘Ford Dagenham to Provide Advanced Technology Diesel Engines for Next Generation Ford Transit Custom’: <https://media.ford.com/content/fordmedia/feu/gb/en/news/2021/03/16/ford-dagenham-to-provide-advanced-technology-diesel-engines-for-.html> [accessed 25 March 2021]

23 Department for International Trade, ‘Guidance: Trade with Turkey’: <https://www.gov.uk/guidance/summary-of-the-uk-turkey-trade-agreement> [accessed 15 March 2021]

24 The PEM Convention is a multilateral agreement that provides for diagonal cumulation between all 23 contracting parties in the pan-Euro-Med zone, including Turkey. The parties in the PEM Convention are the EU, the EFTA States (Switzerland, Liechtenstein, Iceland, and Norway), Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, West Bank and Gaza Strip, Albania, Bosnia and Herzegovina, North Macedonia, Montenegro, Serbia, Kosovo, Moldova, Georgia and Ukraine. See European Commission ‘The pan-Euro-Mediterranean cumulation and the PEM Convention’: [https://ec.europa.eu/taxation\\_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin/arrangements-list/paneuromediterranean-cumulation-pem-convention\\_en](https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin/arrangements-list/paneuromediterranean-cumulation-pem-convention_en) [accessed 25 March 2021]

25 Department for International Trade, *Continuing the United Kingdom’s Trade Relationship with the Republic of Turkey* (31 December 2020), p. 26: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/948936/ccs1220781734-turkey-trade-pr-accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/948936/ccs1220781734-turkey-trade-pr-accessible.pdf) [accessed 25 March 2021]

26 Further information can be found in our letter to the EU Select Committee Chair on the UK-EU Trade and Cooperation Agreement, dated 25 February 2021: <https://committees.parliament.uk/publications/5006/documents/49950/default/> [accessed 19 March 2021]

27 Written evidence Society of Motor Manufacturers and Traders (SMMT) (TFT0003)

20. The UK and Turkey agreed temporarily to incorporate the revised pan-Euro-Mediterranean preferential rules of origin (the PEM Convention) as a stop gap measure after the end of the transition period.<sup>28</sup> But because the EU and Turkey are in a customs union, Turkey is required to apply the EU's preferential tariff rules with common trade partners. This means that the rules of origin in the UK-Turkey Agreement will eventually need to align with those set out in the UK-EU Trade and Cooperation Agreement (TCA). The Parliamentary Report indicates that the relevant parts of the Rules of Origin Protocol will be replaced by the equivalent parts in the TCA.<sup>29</sup>
21. There are some differences between the temporary rules of origin under the UK-Turkey Agreement and under the TCA, and it is unclear how these discrepancies will be resolved. Most notably, the rules of origin provisions in the UK-Turkey Agreement extend cumulation to all PEM members, but the TCA does not. If the rules of origin in the UK-Turkey Agreement are to be directly replaced with the equivalent elements in the TCA, cumulation will no longer be extended to PEM members. The SMMT indicated that this may cause significant disruption to some supply chains. It added that the rules for electric vehicles and lithium-ion batteries are different under the revised PEM and the TCA, causing further uncertainty for the UK automotive sector.<sup>30</sup>
22. **We call on the Government to explain how differences between the revised PEM rules and the TCA Rules of Origin will be resolved, and to set out the timelines for the negotiations on the updated Rules of Origin Protocol. We also call on the Government to provide comprehensive and detailed guidance on any new arrangements that will arise out of the updated Rules of Origin Protocol.**

#### *Tariff rate quotas*

23. Tariff rate quotas have been re-sized to reflect the fact that the UK is a smaller market for imports and exports than the EU. The new quotas were calculated based on a historical usage data and trade flow data. We note that the effect of the re-sized TRQs is—as yet—unknown, given that the Agreement has only just been concluded and TRQ usage data is not yet available.

#### *Technical barriers to trade*

24. The Agreement does not replicate the EU-Turkey arrangements on removing technical barriers to trade (TBT) and, instead, reverts to WTO rules. This reflects Turkey's obligations to harmonise with EU law for most goods to allow for frictionless trade, and the lack of comparable provisions in the UK-EU Trade and Cooperation Agreement (TCA). The Parliamentary Report notes that it is not currently possible to assess the potential impacts of reverting to WTO rules on TBT.

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28 The PEM Convention is a multilateral agreement that provides for diagonal cumulation between all 23 contracting parties in the pan-Euro-Med zone, including Turkey.

29 Department for International Trade, *Continuing the United Kingdom's Trade Relationship with the Republic of Turkey* (31 December 2020), p 26: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/948936/ccs1220781734-turkey-trade-pr-accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/948936/ccs1220781734-turkey-trade-pr-accessible.pdf) [accessed 25 March 2021]

30 Written evidence Society of Motor Manufacturers and Traders (SMMT) ([TFT0003](#))

25. Article 4.4 of the Agreement contains a specific review clause on TBT provisions that requires the UK and Turkey to commence a review of TBT provisions within three months of full entry into force of the UK-EU TCA. The review will be held with a view to replacing, modernising or expanding the provisions, giving consideration to replicating and incorporating the arrangements on the mutual recognition of conformity assessment results contained in the TCA.<sup>31</sup>
26. The UK Trade Policy Observatory (UKTPO) at the University of Sussex pointed out that because the TCA “contained little by way of mutual recognition of conformity assessment, there appears to be little scope for improvements”, even after the review on TBT is held.<sup>32</sup> MakeUK also noted that the lack of provisions in the TCA on the mutual recognition of conformity assessments<sup>33</sup> has a consequential impact on the UK’s trade with Turkey: “There will be increased costs from new design, test, certification, and administration costs to cater for this new double regulation between the UK and EU, and therefore for firms in Turkey and UK.”<sup>34</sup> It further noted that any potential future UK divergence from EU technical regulations and product standards “would have implications for the UK-Turkey accord, in particular the supply chain certainty and cost basis for manufacturing”.<sup>35</sup>
27. **The UK-Turkey Agreement reverts to WTO arrangements for addressing technical barriers to trade. This is a necessary consequence of Turkey’s alignment with the EU and the lack of mutual recognition of conformity assessments in the UK-EU TCA. We heard that this will result in significant costs for some UK businesses trading with Turkey and that it will affect supply chains.**
28. **Continued cooperation between the UK and the EU on technical barriers to trade is thus critical for the UK-Turkey trade relationship. While continuing to seek mutual recognition of conformity assessment, the Government must engage with businesses and regulatory authorities to identify areas where regulatory cooperation can be improved, and seek agreement to empower specific regulatory authorities from the UK and the EU to recognise standards set by, and products approved by, both Parties.**

*Competition, subsidies and trade remedies*

29. The Agreement does not replicate the EU-Turkey Arrangement on competition policy and subsidies, and instead reverts to WTO commitments. The Parliamentary Report explains that this is because the EU-Turkey Arrangement requires competition rules to be interpreted with specific

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31 Article 4.4 General Provisions, Chapter 4 Technical Barriers to Trade, UK-Turkey Agreement

32 Written evidence from UK Trade Policy Observatory (University of Sussex) ([TFT0002](#))

33 Conformity assessment is the procedure for ensuring a product meets the necessary regulatory requirements before it is placed on the market. In negotiations with the EU, the UK unsuccessfully sought mutual recognition of conformity assessments, which would have enabled UK and EU certifying bodies to certify that products produced in one territory met the regulations of the other. In many cases, testing for regulatory compliance will have to be duplicated.

34 Written evidence from MakeUK ([TFT0001](#))

35 *Ibid.*

reference to EU law and “requires Turkey to adopt the EU state aid rules, which would not be appropriate for this Agreement”.<sup>36</sup>

30. The competition chapter is short and does not provide enforcement mechanisms, committing the Parties only to cooperate and coordinate. Article 7.2 commits each country’s competition authorities to the “notification, consultation and exchange of non-confidential information, in the enforcement of their respective competition law to fulfil the objectives of this Agreement”.<sup>37</sup>
31. The Agreement does not contain a chapter on subsidies or state aid. As members of the WTO both the UK and Turkey are, however, subject to the WTO’s Anti-subsidy and Countervailing Measures Agreement.<sup>38</sup> This means that disputes on subsidies could be referred (by member states, but not by businesses or individuals) to the WTO. Subsidies are identified as an area subject to review no later than two years after the Agreement enters into force.<sup>39</sup>
32. **We call on the Government to explain why it did not seek to include a process of notification for subsidies, under which the Parties would notify each other at regular intervals of the subsidies granted and the names of the recipients. Such a mechanism was included in the UK-Japan Comprehensive Economic Partnership Agreement.**

#### *Government procurement*

33. The government procurement provisions in the Agreement and the EU-Turkey Arrangement are minimal and broadly aligned. Turkey is not a signatory to the WTO Agreement on Government Procurement (GPA), and while procurement is one of the chapters in Turkey’s accession negotiations with the EU, the chapter has not been opened because Turkey still has to fulfil criteria set out by the EU.<sup>40</sup> This explains why the Agreement appears to lack ambition on government procurement. It simply provides that the Parties must consult on the mutual opening of their respective government procurement markets, “using the GPA as a framework for future dialogue”.<sup>41</sup> Government procurement therefore represents a further area for making progress in the future review of the Agreement.

#### *Dispute settlement*

34. The Agreement carries over the dispute settlement mechanism from the EU-Turkey Arrangement, with some changes to improve efficiency and compliance. For example, the time for the establishment of an arbitration panel has been reduced from six months to 60 days to allow for a swifter resolution of disputes.<sup>42</sup>

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36 Department for International Trade, *Continuing the United Kingdom’s Trade Relationship with the Republic of Turkey* (31 December 2020), p 28: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/948936/ccs1220781734-turkey-trade-pr-accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/948936/ccs1220781734-turkey-trade-pr-accessible.pdf) [accessed 25 March 2021]

37 Article 7.2.3

38 World Trade Organisation, *Agreement on Subsidies and Countervailing Measures*: [https://www.wto.org/english/docs\\_e/legal\\_e/24-scm\\_01\\_e.htm](https://www.wto.org/english/docs_e/legal_e/24-scm_01_e.htm) [accessed 25 March 2021]

39 Article 13.2 Review and further negotiations, Chapter 13 Final Provisions

40 European Commission, *Study of the EU-Turkey Bilateral Preferential Trade Framework, Including the Customs Union, and an Assessment of Its Possible Enhancement* (26 October 2016), p 139: [https://trade.ec.europa.eu/doclib/docs/2017/january/tradoc\\_155240.pdf](https://trade.ec.europa.eu/doclib/docs/2017/january/tradoc_155240.pdf) [accessed 25 March 2021]

41 Article 8

42 Article 12.4

35. Where the arbitration panel finds that a Party has failed to carry out its obligations under the Agreement and has not complied with the arbitration ruling, Article 12.10 of the Agreement introduces a mechanism for temporary remedies to be applied. This allows the Parties to agree temporary compensation or an alternative arrangement. Where the Party subject to complaints remains non-compliant, concessions or obligations in which there is a dispute may be suspended by the other Party.<sup>43</sup> This is a new mechanism, which does not exist under the EU-Turkey Arrangement, therefore the consequences of this mechanism and how it will operate in practice are, as yet, unclear.<sup>44</sup>

*Human rights and workers' rights*

36. The Agreement does not include provisions on human rights and workers' rights. The Explanatory Memorandum (EM) explains that the Agreement "covers trade in goods only, in accordance with the technical replication of existing provisions within the EU-Turkey Arrangement, which does not have human rights provisions". The EM states, "we regularly raise human rights issues with Turkey at all levels", but does not provide further details on how the UK has engaged with Turkey on this issue.
37. Several civil society organisations have raised concerns about human rights and workers' rights issues in Turkey,<sup>45</sup> and the TUC and Unite have called for the suspension of the Agreement.<sup>46</sup> Unite, in its written evidence, stated:
- "Over 160,000 judges, teachers, police, and civil servants have been suspended or dismissed, together with about 77,000 formally arrested... The agreement contains no enforceable commitments for Turkey to respect labour rights. This means it will not be possible to use the UK-Turkey agreement to stop the government of Turkey abusing the rights of unions and workers and committing widespread human rights abuses."<sup>47</sup>
38. The Joint Committee on Human Rights (JCHR) examined human rights in Turkey as part of its inquiry into human rights and business in 2017. It specifically looked at human rights and workers' rights abuses in Turkey's garment and textiles sector, highlighting child labour, refugee labour, and hostility towards trade union membership as issues of concern.<sup>48</sup> Syrian refugees were found to be particularly at risk of exploitation by unscrupulous factory owners. The JCHR also referenced reports of a factory owner sacking unionised workers and offering other unionised workers a pay rise in exchange for quitting their unions.
39. The absence of provisions on human rights in the Agreement contrasts with the Secretary of State's vision of "values-driven free trade", set out in

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43 Article 12.10

44 Compare with Section III Settlement of disputes, Chapter 5 Institutional provisions in the EU-Turkey Customs Union ([OJ L 35/14](#), 13 February 1996)

45 Graham Lanktree, 'British and Turkish unions want to suspend fledgling trade deal over labor concerns', Politico (28 January 2021): <https://www.politico.eu/article/uk-turkey-unions-trade-deal-labor-concerns/> [accessed 25 March 2021]

46 TUC, DISK & KESK, *Unions from UK and Turkey call for UK government to suspend trade deal with Turkey until workers' rights are respected*: <https://www.tuc.org.uk/sites/default/files/2021-01/UK%20Turkey%20union%20joint%20statement%20on%20UK-Turkey%20trade%20deal%20January%202021.pdf> [accessed 25 March 2021]

47 Written evidence from Unite the Union ([TFT0004](#))

48 Joint Committee on Human Rights, *Human Rights and Business 2017: Promoting responsibility and ensuring accountability* (6th Report, Session 2016–17, HC 443, HL Paper 153) pp 15–17

a speech last year: “In control of our trading future, we will work with like-minded democracies to support freedom, human rights and the environment while boosting enterprise by lowering barriers to trade.”<sup>49</sup> Lord Grimstone of Boscobel, Minister of State for Investment, made a related point during the passage of the Trade Bill, emphasising that “trade does not have to come at the expense of human rights”.<sup>50</sup> The absence of human rights provisions in the Turkey Agreement also contrasts with the high priority given to the “essential elements” of the UK-EU TCA, including “the shared values and principles of democracy, the rule of law, and respect for human rights”, failure to uphold which by one Party could lead the other to suspend or terminate the TCA in whole or in part.<sup>51</sup>

40. The review clause (see paragraph 5) specifically identifies labour issues and sustainable development as an area to be included in the review. This could therefore present an opportunity for the UK to push for the introduction of human rights provisions, and related workers’ rights.<sup>52</sup>
41. **We regret the absence of any reference to human rights and workers’ rights in the Agreement and call on the Government to explain how it proposes to uphold its vision of ‘values-driven free trade’ in respect of the UK-Turkey relationship. We urge the Government to make use of the review clause in the Agreement to argue for the future introduction of provisions on human rights and workers’ rights.**

#### *Governance and amendments*

42. The Agreement establishes a Joint Committee to make decisions and recommendations regarding the implementation and operation of the Agreement. Decisions of the Joint Committee are made by consensus and are binding. The Joint Committee also has responsibility for supervising and coordinating the work of any sub-committees, and can recommend the establishment of a sub-committee on intellectual, industrial and commercial property rights.<sup>53</sup>
43. The Parties can agree amendments to the Agreement. In certain circumstances and in respect of specific Annexes and Protocols, changes can be made by the Joint Committee. The EM confirms that, in the UK, amendments that are subject to a formal exchange of notes to confirm completion of internal procedures would engage the parliamentary scrutiny process set out in the Constitutional Reform and Governance Act 2010. It also states that amendments made by the Joint Committee to specific Annexes or Protocols would not engage CRAG.
44. **The Foreign, Commonwealth and Development Office has committed to tabling proposals about the identification and notification of all amendments, including those that will be subject to CRAG, and we look forward to receiving these in due course.**

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49 Department for International Trade, ‘Chatham House speech: Liz Truss sets out vision for values-driven free trade’ (29 October 2020): <https://www.gov.uk/government/speeches/chatham-house-speech-liz-truss-sets-out-vision-for-values-driven-free-trade> [accessed 25 March 2021]

50 See, for example, HL Deb 23 March 2021, [col 766](#) .

51 European Union Committee, *Beyond Brexit: the institutional framework* (21st Report, Session 2019–21, HL Paper 246)

52 Article 13.2 Review and further negotiations

53 Article 9.5, Chapter 9 Intellectual property rights

*Consultation and territorial scope*

45. The Agreement only extends to the United Kingdom, with the exception of the customs provisions, which also apply to the Crown Dependencies. The EM notes that the Agreement includes a mechanism to extend the Agreement to the Crown Dependencies and Overseas Territories, and that DIT is currently working with them to identify when, and in which areas, such an extension would be desirable.<sup>54</sup>
46. Regarding consultation, the EM indicates that as for the other Overseas Territories, the Agreement does not apply to Gibraltar, and that the authorities in Gibraltar were consulted to ensure they were content with this approach.
47. The EM confirms that text of the Agreement, once stable, was shared with the Devolved Administrations, the Crown Dependencies and Gibraltar.
48. We approached the Devolved Administrations for comment, and at the time of publication of this report we had received a response from Welsh Government officials, who confirmed that they were kept updated on progress via “official sensitive reports” and verbal updates. They told us that Turkish steel was a key import for the automotive manufacturing sector in Wales and that they had raised this with the Chief Negotiator, who was able to explain the Government’s approach to the negotiations. They also confirmed that draft legal text was shared once an agreement in principle had been reached.
49. **We welcome the Government’s confirmation that Gibraltar was content with the Agreement. We repeat our previous recommendation that the Government’s EM should include information about any significant issues of concern raised by the Devolved Administrations (and others), or alternatively confirm that no significant concerns have been expressed.**

*Conclusion*

50. **We draw the Free Trade Agreement between the UK and Turkey to the special attention of the House on the grounds that:**
  - (a) **It is politically important; and**
  - (b) **It differs significantly from the precursor agreements between the EU and Turkey.**

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54 Department for International Trade, *Explanatory Memorandum on the Free Trade Agreement between the United Kingdom of Great Britain and Northern Ireland and the Republic of Turkey* (24 February 2021): [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/964278/EM\\_CS\\_Turkey\\_1.2021\\_UK\\_Turkey\\_Free\\_Trade\\_Agreement.odt](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/964278/EM_CS_Turkey_1.2021_UK_Turkey_Free_Trade_Agreement.odt) [accessed 25 March 2021]

## CHAPTER 2: AGREEMENTS REPORTED FOR INFORMATION

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**Agreement, done at Reykjavik on 9 December 2020 and London on 16 December 2020, between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Iceland concerning Air Services (CP386, 2021)<sup>55</sup>**

51. The Air Services Agreement between the UK and Iceland (the Air Services Agreement) was laid on 22 February 2021, and the scrutiny period is scheduled to end on 13 April 2021. It was considered by the Committee on 24 March 2021.
52. The Agreement replaces the air services arrangements between the UK and Iceland under the Agreement on the European Economic Area (the EEA Agreement), which ceased to apply to the UK on 1 January.<sup>56</sup> The Government's Explanatory Memorandum (EM) notes that it provides "continuity of rights available to airlines of both sides and ensures the continuity of air services between the UK and Iceland".<sup>57</sup> To benefit from the Agreement, in addition to meeting the relevant regulatory requirements, airlines must be majority-owned and effectively controlled by the UK, EU, or EFTA<sup>58</sup> states, or by their nationals.
53. The Agreement provides for both Parties to operate unlimited scheduled services:
  - between the UK and Iceland;
  - between the UK and Iceland via intermediate points; and
  - between third countries and the UK or Iceland.
54. Airlines can also fly across the other Party's territory without landing, or make stops for non-traffic purposes<sup>59</sup> in the other Party's territory. Unlike the recent UK air services agreement with Norway, cabotage journeys are permitted.<sup>60</sup>

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55 Agreement, done at Reykjavik on 9 December 2020 and London on 16 December 2020, between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Iceland concerning Air Services, CP 386, 2021: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/963256/CS\\_Iceland\\_1.2021\\_UK\\_Iceland\\_Air\\_Services\\_Agreement.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/963256/CS_Iceland_1.2021_UK_Iceland_Air_Services_Agreement.pdf) [accessed 15 March 2021]

56 Agreement, done at Porto on May 2 1992, between the European Communities, their Member States and the Republic of Austria, the Republic of Finland, the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway, the Kingdom of Sweden and the Swiss Confederation ([OJ L 1](#), 3 January 1994)

57 Foreign, Commonwealth & Development Office, *Explanatory Memorandum on the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Iceland Concerning Air Services* (22 February 2021) p 1: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/963257/EM\\_CS\\_Iceland\\_1.2021\\_UK\\_Iceland\\_Air\\_Services.odt](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/963257/EM_CS_Iceland_1.2021_UK_Iceland_Air_Services.odt) [accessed 25 March 2021]

58 The European Free Trade Association (EFTA) is the intergovernmental organisation of Iceland, Liechtenstein, Norway, and Switzerland. It was set up in 1960 for the promotion of free trade and economic integration between its members.

59 Non-traffic stops are landings for any purpose other than taking on or discharging passengers, baggage, cargo or mail. They are usually for the purposes of refuelling or maintenance.

60 Cabotage refers to the transport of cargo, mail or passengers solely within a single country by a foreign operator. Cabotage was not transitioned in the bilateral air services agreement with Norway, see: International Agreements Committee, *Scrutiny of international agreements: Air Services Agreement with Norway* (7th Report, Session 2019–21, HL Paper 254)

55. The Agreement also sets out terms and conditions on related matters, including fair competition,<sup>61</sup> pricing,<sup>62</sup> customs duties and charges,<sup>63</sup> aviation security,<sup>64</sup> safety,<sup>65</sup> code-sharing arrangements,<sup>66</sup> aircraft leasing,<sup>67</sup> and environmental protections.

*Entry into force*

56. The UK and Iceland signed a memorandum of understanding on the continued provision of air services on 12 December 2017. This has meant that the new Agreement could be applied in practice from 1 January, pending the completion of ratification procedures.
57. The EM notes that no new legislation is required to implement the Agreement.

*Amendments*

58. Article 21 sets out that the Agreement can be amended by the Parties and that amendments will enter into force on exchange of diplomatic notes. The EM does not set out whether such amendments would be subject to parliamentary scrutiny under the Constitutional Reform and Governance Act 2010.
59. **We refer to our previous recommendation that the explanatory materials should spell out the types of amendments the Government expects to be subject to parliamentary scrutiny under the Constitutional Reform and Governance Act 2010, and await proposals from the Foreign, Commonwealth and Development Office on how amendments will be notified.**<sup>68</sup>

*Consultation and territorial scope*

60. The EM explains that the Agreement extends to the UK's Crown Dependencies and Overseas Territories.
61. While air services are not a devolved matter, the EM acknowledges that the Agreement has an impact on the Devolved Administrations, "and the Devolved Administrations have been kept aware of the programme to transition EU-negotiated air services agreements", as have the Crown Dependencies and Overseas Territories.<sup>69</sup> It is not clear from the EM whether they were consulted on this specific Agreement, and whether any significant concerns were raised.
62. The EM notes that regular consultations have taken place with the UK aviation industry on the roll-over of EU-negotiated air services agreements and that

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61 Article 6

62 Article 7

63 Article 8

64 Article 9

65 Article 10

66 Article 11

67 Article 12

68 See also: European Union Committee, *Scrutiny of international agreements: lessons learned* (42nd Report, Session 2017–19, HL Paper 387)

69 Foreign, Commonwealth & Development Office, *Explanatory Memorandum on the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Iceland Concerning Air Services* (22 February 2021) p 3: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/963257/EM\\_CS\\_Iceland\\_1.2021\\_UK\\_Iceland\\_Air\\_Services.odt](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/963257/EM_CS_Iceland_1.2021_UK_Iceland_Air_Services.odt) [accessed 25 March 2021]

the industry was supportive of the UK-Iceland Air Services Agreement for ensuring “long-term continuity of the legal basis of air services”.<sup>70</sup>

63. **We welcome the Government’s confirmation that it has engaged with the UK aviation industry, and that the industry supports this specific Agreement. We however refer to our previous recommendation that the Government’s EM should include information about any significant issues raised by the DAs, or alternatively confirm that no significant concerns have been expressed.**
64. **We report the Air Services Agreement between the UK and Iceland to the House for information. In particular, we highlight our comments at paragraphs 59 and 63.**

**Headquarters Agreement, done at London on 3 February and Paris on 9 February 2021, between the Government of the United Kingdom of Great Britain and Northern Ireland and the Square Kilometre Array Observatory (CP 396, 2021)**<sup>71</sup>

65. The Headquarters Agreement between the UK and the Square Kilometre Array Observatory (the Headquarters Agreement) was laid on 19 February 2021, and the scrutiny period is scheduled to end on 25 March 2021. It was considered by the International Agreements Committee on 24 March 2021.
66. The Square Kilometre Array (SKA) is an international mega-science project<sup>72</sup> to build the world’s largest and most sensitive radio telescope, comprising a series of telescopes located in South Africa and Australia. The Government’s Explanatory Memorandum (EM)<sup>73</sup> notes that UK scientists and engineers have been involved in the SKA from the project’s inception in the early 1990s. In 2014, the UK Government announced funding of £100 million for the project and made a successful bid to host the global headquarters of the Square Kilometre Array Observatory (the SKA Organisation) in the UK at Jodrell Bank, near Manchester.<sup>74</sup>
67. The SKA Organisation is an intergovernmental organisation established under an international treaty—the Convention establishing the Square Kilometre Array Observatory—to oversee the delivery of the SKA. As such, it is comparable to the European Organization for Nuclear Research (CERN) or the European Southern Observatory (ESO). The UK Government ratified the Convention establishing the Square Kilometre Array Observatory in

70 *Ibid.*

71 Headquarters Agreement, done at London on 3 February and Paris on 9 February 2021, between the Government of the United Kingdom of Great Britain and Northern Ireland and the Square Kilometre Array Observatory, CP 396, 2021: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/962742/MS\\_1.2021\\_UK\\_SKAO\\_Headquarters\\_Agreement.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/962742/MS_1.2021_UK_SKAO_Headquarters_Agreement.pdf) [accessed 1 March 2021]

72 Mega-science projects are experiments or other projects with budgets in excess of 1bn US dollars.

73 Foreign, Commonwealth & Development Office, *Explanatory Memorandum on the Headquarters Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Square Kilometre Array Observatory* (19 February 2021): [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/962744/EM\\_MS\\_1.2021\\_UK\\_SKAO\\_Headquarters\\_Agreement.odt](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/962744/EM_MS_1.2021_UK_SKAO_Headquarters_Agreement.odt) [accessed 25 March 2021]

74 On 29th April 2015, the Members of the SKA approved the UK HQ proposal by a majority vote. Jodrell Bank was recognised as a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site in 2019 for its contributions to radio astronomy. See: UK Research and Innovation, ‘United Kingdom ratifies SKA Observatory Convention’: <https://www.ukri.org/news/uk-ratifies-ska-observatory-convention/> [accessed 25 March 2021]

2020, and that Convention has been in force since 15 January 2021.<sup>75</sup> Among other things, it conferred privileges and immunities on the Organisation and on specified categories of individuals connected with the SKA Organisation. The Convention was laid under the Constitutional Reform and Governance Act 2010 in 2019 and scrutinised by the House of Lords Secondary Legislation Scrutiny Committee (SLSC), which reported it as an ‘instrument of interest’ on 6 September 2019.<sup>76</sup>

68. The SLSC noted that:

“The UK ... plans to contribute around 16% of operating costs (around £85 million to 2025). The SKA will generate 35,000 DVDs-worth of data every second and, therefore, presents unprecedented technology challenges. The UK is leading consortiums for two SKA Work Packages—Signal and Data Transport, which handles the volume of data, and the Science Data Processor (SDP), led by Cambridge University, which is focusing on the technology that is needed to turn the data collected into useable science products. The Explanatory Memorandum laid by the Foreign and Commonwealth Office states that the changes that SKA will inspire in high-performance computing are expected to alter the computing landscape for generations, with huge potential for societal and economic benefit.”<sup>77</sup>

69. Fourteen countries are members of the SKA Organisation: Australia, Canada, China, France, Germany, India, Italy, New Zealand, South Africa, Spain, Sweden, Switzerland, the Netherlands and the United Kingdom. The cost of the SKA, including construction and the first 10 years of operations (2021–2030), is estimated to be around €1.9 billion.<sup>78</sup>

70. The new Headquarters Agreement concerns the hosting of the Organisation in the UK and will regulate the relationship between the Organisation and the UK. The EM notes that its purpose “is to enable the Organisation to establish the Premises in the UK and operate at the Premises, and to ensure the efficient functioning of the Organisation, with a view to giving effect to the Convention”.

71. The EM highlights the fact that Chapter III of the Agreement sets out the right to have and display a flag and emblem, as well as the rights and obligations of personnel.<sup>79</sup> Any relevant privileges and immunities granted

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75 Convention establishing the Square Kilometre Array Observatory, CP 154, 2019: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/818907/MS\\_27.2019\\_SKAO\\_Convention\\_Square\\_Kilometre\\_Array\\_Telescope.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/818907/MS_27.2019_SKAO_Convention_Square_Kilometre_Array_Telescope.pdf) [accessed 25 march 2021]

76 Secondary Legislation Scrutiny Committee, *Proposed Negative Statutory Instruments under the European Union (Withdrawal) Act 2018* (59th Report, Session 2017–19, HL Paper 419)

77 *Ibid.*, para 35

78 Square Kilometre Array, ‘The SKA Project’: <https://www.skatelescope.org/the-ska-project/> [accessed 25 March 2021]

79 Covering members’ representatives, the Director General, members of staff and their families, and designated experts.

under the Agreement are conferred in the interests of the Organisation, and are not for the personal benefit of its personnel.<sup>80</sup>

72. The Headquarters Agreement establishes a Joint Consultative Committee to facilitate the implementation of the Agreement.<sup>81</sup> Under Article 25, any dispute which cannot be resolved through consultation or an agreed alternative mode of settlement “may be submitted ... by either Party to the Permanent Court of Arbitration<sup>82</sup> for resolution in accordance with the terms of Article 14 of the Convention”.
73. A standard amendment clause provides that the Agreement may be amended in writing by the Parties.<sup>83</sup> The EM notes that for the UK, “this would be subject to the procedures set out in Part 2 of the Constitutional Reform and Governance Act 2010”.
74. The EM explains that no new legislation is needed to implement the Headquarters Agreement, since it can be implemented through the International Organisations Act 1968, the Square Kilometre Array Observatory (Immunities and Privileges) Order 2020 and The International Organisations (Immunities and Privileges) (Scotland) Amendment Order 2020.
75. It also notes that the Agreement extends to the United Kingdom and that the Devolved Administrations in Scotland and Northern Ireland were consulted on the domestic implementing legislation. The EM states that there was no consultation with the DAs on the Headquarters Agreement, as it “implements provisions of an international agreement to which the UK is obliged to give effect as a matter of international law now that the Convention has entered into force”. We are satisfied with this explanation.
76. **We report the Headquarters Agreement between the UK and Square Kilometre Array Observatory to the House for information.**

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80 These rights and privileges extend, inter alia, to: Immunity from suit and legal process for the SKA Organisation (subject to the provisos already set out in in Article 2 of the Protocol to the Convention) (Article 4); Inviolability of the Premises (Article 8); Inviolability of Archives (Article 9 ); an exemption from “all direct taxation on its assets, property, income, gains, operations and transaction” (Article 10); Relief from duties (whether of customs or excise) and taxes on the importation of goods (including publications) imported by SKA Organisation for the purpose of its official activities (Article 11). Articles 13 and 14 extend certain rights and privileges to the Representatives of Members and to the Director-General, staff members and family members. These include immunity from suit and legal process, but this does not extend to road traffic offences and damage resulting from a vehicle driven by them. Article 19 provides that it is the duty of SKAO and all persons enjoying such privileges and immunities “to observe the laws and regulations of the United Kingdom” and sets out the circumstances where these privileges and immunities would be waived by the Organisation.

81 Article 18

82 The Permanent Court of Arbitration is an intergovernmental organisation providing a variety of dispute resolution services to the international community. It provides services for the resolution of disputes involving states, state entities, intergovernmental organisations, and private parties.

83 Article 23

## APPENDIX 1: LIST OF MEMBERS, DECLARATIONS OF INTEREST AND COMMITTEE STAFF

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### International Agreements Committee Members and staff

Lord Foster of Bath

*No relevant interests*

Lord Gold

*Director, Gold Collins Associates Ltd*

*Principal, David Gold & Associates LLP*

Lord Goldsmith (Chair)

*Partner, Debevoise & Plimpton LLP*

Lord Kerr of Kinlochard

*Chairman, Centre for European Reform*

*Deputy Chairman, Scottish Power plc*

*Member, Scottish Government's Standing Council on Europe*

Lord Lansley

*Director, LOW Associates Ltd*

*Chair, UK-Japan 21st Century Group*

*Trustee, Radix*

Baroness Liddell of Coatdyke

*Adviser, PricewaterhouseCoopers*

*Association Member, Bupa*

*Chair, Annington Ltd*

*Honorary Vice President, Britain-Australia Society Education Trust*

*Trustee, Northcote Educational Trust*

Lord Morris of Aberavon

*No relevant interests*

Lord Oates

*Chair, Advisory Committee, Weber Shandwick UK*

*Non-Executive Director, Centre for Countering Digital Hate*

*Director, H&O Communications Ltd*

Lord Risby

*No relevant interests*

Lord Robathan

*No relevant interests*

Earl of Sandwich

*No relevant interests*

Lord Watts

*No relevant interests*

The Committee staff are Jennifer Martin-Kohlmorgen (Clerk), Moriyo Aiyeola (Assistant Clerk), Alexander Horne (Legal Adviser), Andrea Ninomiya (Policy Analyst), and George Stafford (Committee Assistant).

A full list of Members' interests can be found in the Register of Lords' Interests: <https://members.parliament.uk/members/lords/interests/register-of-lords-interests>

## **APPENDIX 2: LIST OF WITNESSES**

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Written evidence submitted for the Turkey Free Trade Agreement is published at <https://committees.parliament.uk/work/1129/ukturkey-free-trade-agreement/publications/>.

Witnesses are listed below in alphabetical order.

### **Alphabetical list of all witnesses**

Make UK	<a href="#"><u>TFT0001</u></a>
Society of Motor Manufacturers and Traders (SMMT)	<a href="#"><u>TFT0003</u></a>
UK Trade Policy Observatory (University of Sussex)	<a href="#"><u>TFT0002</u></a>
Unite the Union	<a href="#"><u>TFT0004</u></a>