



HOUSE OF LORDS

International Agreements Committee

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Lord Grimstone of Boscobel Kt
Minister for Investment
Department for International Trade
King Charles Street
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05 July 2021

Dear Gerry,

Scrutiny of international agreements: Trade Continuity Agreement with Mexico

Thank you for letter of 26 May setting out the Government's response to our report on the Trade Continuity Agreement with Mexico. The Committee considered your letter at its meeting on 30 June and, whilst grateful for your response, considered it would benefit from some further clarification. I am writing to you as a result.

You will recall that our report asked whether low-income or banana-dependent Commonwealth countries that export bananas to the UK could be adversely affected by Mexico's substantially increased inward TRQ volume for bananas, and requested that the Government set out its assessment.

In your response you state that "the Department, in consultation with the FCDO, determined that the anticipated impact would be limited. This is because the TRQ offered to Mexico is equal to the current UK imports from Mexico...and maintains the £58/ton rate in FTAs with other non-African/Caribbean/Pacific banana-exporting countries". However, a risk remains that because the average price of bananas from Mexico will be lower, that imports from elsewhere could become less competitive. Your letter acknowledges this when it states that "the TRQ could still reduce the competitive advantage afforded to developing countries". We would be grateful, therefore, if you could share with the Committee the assessment that led to the conclusion that impact would be limited or, alternatively, provide further information on your reasoning.

I am copying this letter to Angus Brendan MacNeil MP, Chair of the Commons International Trade Committee; the Minister for Trade Policy, the Rt Hon Greg Hands MP; and the Minister for International Trade, Ranil Jayawardena MP.

Yours sincerely,



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Rt Hon the Lord Goldsmith QC
Chair of the House of Lords International Agreements Committee