Department for International Trade

Department for Business, Energy & Industrial Strategy

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By email: goldsmithp@parliament.uk

6th October 2021

Dear Peter,

Thank you for the useful discussion of our FTA programme on the 19th of July and your subsequent letter of 17th September. I welcome the Committee's interest in our negotiations with Australia and CPTPP.

Australia

The UK and Australia have agreed to include a general bilateral safeguard mechanism in the UK-Australia FTA. This will provide a temporary safety net for domestic industries if they face serious injury from increased imports as a direct consequence of the FTA.

The mechanism will allow for a bilateral safeguard measure to be imposed following an evidence-based investigation. Industry will be able to feed into the investigatory process, led by the investigating authority of the importing party, which will seek to determine whether increased imports have caused or are threatening to cause serious injury

Further information on the detail of the general bilateral safeguard mechanism will be available following signature of the FTA.

CPTPP

Successful accession to CPTPP will place Britain at the core of a dynamic group of growing economies in the Indo-Pacific Region and put us in a good position to benefit from this growth. Joining the agreement will send a powerful signal that the UK as an independent trading nation is committed to a rules based international order and that we will champion free trade.

CPTPP will bring us together with a group of economies promoting free trade and high standards, in a region where the contest between rules-based trade and unfair practices is particularly intense. CPTPP contains, for example, strong intellectual property protections, provisions that support free and trusted cross-border data flows and measures to tackle the market-distortive practices of State-Owned Enterprises.

The UK will ensure that accession negotiations with CPTPP are consistent with the UK's existing international obligations, including the European Patent Convention (EPC).

Government understands that the EPC is hugely important to both applicants and the patent attorney profession. Government has taken on board the clear feedback provided by industry groups and parliamentarians when devising our negotiation positions.

We also note that there are clear benefits for countries seeking a trade agreement with the UK to have access to patent protection in the UK and the other 37 EPC members through the European Patent Organisation (EPO).

We have no intention of leaving the EPC. The precise means by which we secure this outcome alongside CPTPP membership is subject to negotiations. Whilst the Committee will appreciate that I cannot provide a running commentary on these negotiations, the Government will of course be happy to keep the Committee updated at both official and Ministerial level as this work progresses, including through the use of private briefings.

The UK will not be joining CPTPP on any terms which make medicines more expensive or delay the NHS from accessing them. Again, the means by which we secure this outcome will be subject to negotiations, which we must avoid prejudicing through public commentary.

We are aware of the potential impact of Article 18.53 on medicines pricing and access, including from representations from the BGMA and other groups. Negotiations are at an early stage and we are happy to keep the Committee regularly updated.

Protecting the NHS is a fundamental principle of our trade policy. During our negotiations to accede to CPTPP, the price the NHS pays for medicines will not be on the table. The sustainability of the NHS is an absolute priority for the Government and we could not agree to any proposals on medicines pricing or access that would put NHS finances at risk or reduce clinician and patient choice.

Work continues analysing agricultural export opportunities by country. We will provide a summary of this information in the agriculture, processed foods and semi processed foods sectors alongside the estimated change in exports to each CPTPP member. The results will be shared as soon as the analysis is complete, and I apologise for the delay.

Yours sincerely,

Lord Grimstone of Boscobel, Kt
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