



International Trade Committee

14 Tothill Street, London SW1H 9NB
Tel.: 020 7219 1318 E-mail: tradecom@parliament.uk

Rt Hon Anne-Marie Trevelyan
Secretary of State for International Trade
Department for International Trade
Old Admiralty Building
Admiralty Place
London
SW1A 2BL

8 November 2021

Dear Anne-Marie,

I am writing to raise with you two issues regarding the prospective UK-Australia Free Trade Agreement (FTA).

First, I note the report published by Bloomberg last week stating that the Government has changed the methodology to be used in modelling the economic impact of the agreement with Australia. Reportedly, use of the new methodology will show the FTA as having a positive impact on regional Gross Value Added in relation to Northern Ireland.¹ By contrast, the initial scoping assessment of the prospective agreement's economic impact found that "under a scenario of greater liberalisation, output in Northern Ireland may decrease relative to the baseline". This was stated to reflect a higher concentration in the province of economic sectors that would experience contractions in consequence of the agreement.²

Accordingly, I would be grateful for clarification regarding the methodology that is being used to calculate the economic impact of the UK-Australia FTA. If that methodology is different to the one used for the initial scoping assessment, I would appreciate information on what the changes are and the rationale for them.

We are, of course, aware that the Department for International Trade has been carrying out an extensive review of its approach to trade modelling, with the assistance of the Modelling Review Expert Panel, chaired by Professor Tony Venables. I would also be grateful for an update on the progress of that review and an indication of the likely timetable for the implementation of its conclusions.

On a related point, I am concerned that any changes in the methodology used for calculating the economic impact of FTAs would mean that the Impact Assessments for different agreements could not be compared on a like-for-like basis. Can you reassure my Committee that, if this is the case, some sort of dataset will be provided that allows the economic impact of different FTAs to be compared against a consistent benchmark when each agreement is published?

¹ ["U.K. Tweaks the Math After Trade Study Shows Pain for Northern Ireland"](#), Bloomberg, 5 November 2021

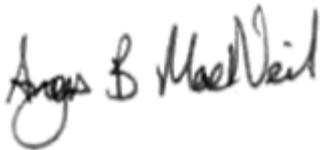
² Department for International Trade, [UK-Australia free trade agreement: the UK's strategic approach](#), June 2020, p 60

Second, I note the report published by *The Diplomat* on 29 October according to which, notwithstanding the Agreement in Principle between the UK and Australia, “Canberra has demanded that London make several changes to its domestic legislation before the deal can move to ratification”. This reportedly relates to laws in relation to animal welfare, and Sanitary and Phytosanitary Measures, and a desire on Australia’s part for UK legislation to align with Australian statutes based on provisions in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.³ This report is greatly concerning, and I would like to request clarification as to whether there is any element of truth in it. Even if you are unable to comment on the specific claims made in the article, I would be grateful for some indication as to whether the apparent delay in signing the FTA is down to any contentious issues having arisen – as opposed to there being a more protracted technical “legal scrub” process than was anticipated.

In accordance with our usual practice, this letter, along with any replies, will be published on the Committee’s webpage. Given the importance of these matters, I would be grateful for a response by 15 November at the latest.

I am copying this letter to the Chair and Clerk of the Northern Ireland Affairs Committee.

Kind regards,

A handwritten signature in black ink that reads "Angus B MacNeil". The signature is written in a cursive style with a large initial 'A'.

Angus Brendan MacNeil
Chair of the International Trade Committee

³ [“The Asia-Pacific’s Free Trade Disagreements”](#), *The Diplomat*, 29 October 2021