Department for
International Trade

Department for
Business, Energy
& Industrial Strategy

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Dear Dianne,

The UK has now moved on to the next and final stage of the accession process to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), market access negotiations. The members of CPTPP – representing some of the world's largest current and future economies, worth £8.4 trillion – have confirmed that the UK is advancing to the final phase of negotiations.

This means the UK has demonstrated to CPTPP members that we are a high-standards, fair trading economy, and ready to move onto this last phase. They want the UK in this global rule-setting club. The start of market access negotiations is a key milestone towards acceding to CPTPP. Having kicked off talks with officials from all CPTPP member countries last year, we are pleased with our rapid progress.

The UK remains on track for joining CPTPP this year, the first new economy to do so. During the market access negotiations, the UK will agree new trading relationships which could lead to almost all UK exports to CPTPP countries being eligible for tariff-free trade. Over the course of the accession process, we will ensure that the terms of accession are in line with the UK's broader policies and will negotiate in the national interest.

The UK's world-class services industry will benefit from better market access that CPTPP members provide each other. The deal contains guarantees, for example, that lawyers in one country can advise clients in another, including on a fly-in-fly-out basis.

Joining CPTPP will ensure UK businesses are in an even better position to expand their digital reach in the global marketplace, thanks to CPTPP's modern rules for digital trade across all sectors of the economy.

CPTPP's rules of origin allow traders to cumulate content from other CPTPP members to take advantage of its members' ambitious tariff liberalisation commitments. This could make it easier for some UK exports to qualify for preferential tariff treatment than under bilateral FTAs. It may also increase demand among CPTPP members for imports of intermediate goods from the UK, for example British engines for use in automotive exports.

UK membership of the agreement would secure lower tariffs for exports from across the UK, many of which are in high demand in the Pacific region. DIT economic analysis estimates that every nation and region of the UK is forecast to benefit from the UK acceding to CPTPP. The indicative Gross Value Added (GVA) impact is predicted at £53 million for Wales, for Northern Ireland £45 million and £163 million for Scotland. For English regions the West Midlands is set to see a GVA gain of £177 million, the North West £146 million and Yorkshire and the Humber £98 million.

Joining CPTPP puts Britain at the heart of a dynamic group of countries, as the world economy increasingly centres on the Pacific region. As these economies grow, it is even more important that the UK is in a free trade agreement with them, so that we benefit from this growth.

The recent debate held on CPTPP in the Lords by International Agreements Committee members was productive and raised many important points around UK accession to the agreement. We would like to assure the Committee that we will only join CPTPP in line with the UK's broader interests. Membership of the agreement must protect our food safety, environmental protections and animal welfare standards.

The Department for International Trade will continue to draw upon the expertise of both Houses, ensuring that Parliament receives regular updates and that we engage with Parliamentary Committees to ensure the Lords and the Commons are appropriately involved with negotiations.

In line with departmental transparency commitments, we have provided written updates at major milestones, as at the launch of negotiations. We will continue to provide updates at appropriate regular intervals.

Yours sincerely,

Lord Grimstone of Boscobel, Kt
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