

30<sup>th</sup> April 2024

**Oral Evidence, Business and Trade Committee, Export-led Growth, 23<sup>rd</sup> April 2024**

I write as an ordinary member of the UK voting public.

Thank you for your kind offer to distribute this letter and addendum to the Members of the House of Commons Business and Trade Committee.

As you will know from previous correspondence I for one see respect for the Commons Select Committee System to be a fundamental part of the UK Democratic Process. Whilst the Commons Chamber remains necessarily adversarial, Select Committees are not only cross-party but have the ability to call 'Witnesses', individuals claiming particular subject expertise. Given this, I am sure the Members agree how essential it is for Witnesses to provide Committees with sound, quality researched, Oral Evidence.

Per the 11am onwards Recording/Meeting Transcript of the above hearing Members need to be made aware that some of the Oral Evidence offered, regrettably, has failed this soundness test. The addendum to this letter lists extracts from Questions 269 and 262/3 where this shortcoming is apparent.

The Oral Evidence offered by Ms McBride in response to the above questions is misleading, as the addendum makes clear.

I am sure we agree that it is important, unless Ms McBride is able to revert with substantiation, that Members are made aware, in the interests of democratic integrity, of the shortcomings of the Oral Evidence offered in response to the above questions.

The distribution of this letter and addendum is, I understand, the best means of accomplishing this and I look forward therefore to hearing that both have been copied to the Members.

Yours sincerely

Paul Giles; Performance, Attribution and Risk Specialist

**Addendum to 30<sup>th</sup> April**

**Extracts from 23<sup>rd</sup> April 'Export-led Growth' Oral Evidence Session**

1. Q269 (Mr Andy McDonald, MP) *'it's been put to us that re-joining the EU Single Market would be the most effective way of stopping the rot'* (Recording (12:07:30) and Transcript wording differ slightly here). The question was in relation to the loss of UK-EU goods exports post the January 2021 implementation UK-EU Trade and Continuity Agreement.
2. After an initial reply by Witness Ms Emily Fry, Witness Ms Catherine McBride interrupted to state (12:08:20) *'... the drop in the exports of goods is nothing to do with Brexit, it's 100% to do with our largest trading partners, many of which are in the EU are in a recession at the moment so they are not buying as many goods.'*
3. I for one am unaware of any academic research supporting such a statement, let alone with '100%' certainty. In fact we see that, per the ONS, UK-EU goods exports/real values show a 5% annualised post-TCA decline despite both the EU and the Eurozone showing real growth throughout the subsequent period (EU – 6.3% 2021, 2.5% 2022, 1.0% 2023; Eurozone 5.9%, 3.4%, 0.4% per IMF).

Written evidence submitted by Paul Giles (ELG0049)

4. Unfortunately, this may not have been an isolated example of misleading evidence. In response to Q262/3 (Mr Douglas Chapman, MP) regarding the benefit(s) of proximity in relation to trade, Ms McBride makes the extraordinary statement '*It is nothing to do with distance*' in reference to goods' delivery costs, continuing to say '*It is cheaper to transport stuff (presumably goods) on a boat than it is by road. It is 12 times cheaper.*' I don't know the source of the '12 times' statement, but taking this for now as read and ignoring cost of onward land transportation within the destination country, the UK/Auckland sea route, for example, is quoted by the Port of Southampton as being 14,374 nautical miles distant via the Suez Canal, equivalent to 16,541 road miles. Dividing this by 12 gives us 1,378 road miles, more than twice the distance of most major European Capitals from Southampton and taking us as far as, for example, the Ukraine border. Clearly, even on the '12 times' basis, it is more costly to deliver to New Zealand (or Australia, 15,300 land miles, or Japan, 14,700 etc) than to Europe regardless of means of transport. Again, we have an absolute in the '*nothing to do ...*' claim in the face of a justification which fails on first examination using the data offered by the Witness herself.
5. Incidentally, more widely, the benefits arising from proximity trading are not a subject of dispute within the Economic Community. Both the London School of Economics ('it is still much cheaper to trade with neighbouring countries', report 9<sup>th</sup> November 2018) and Price Waterhouse Coopers ('the gravity model', report 2017) make clear the undisputed benefits of proximity trading.