

## **Railway Industry Association (RIA) – Written evidence FUU0024**

I am writing on behalf of the Railway Industry Association (RIA), to make a submission to your inquiry on the future of the UK-EU relationship, focussing on trade in goods.

RIA is the national trade body for some 300 UK rail suppliers, with members representing a large proportion of the rail industry by turnover and reflecting a great diversity of disciplines within the rail sector. Our membership comprises both large multinational companies and also SMEs (around 60% of the membership).

RIA was reassured to see the Trade and Cooperation Agreement (TCA) with the EU announced ahead of the end of the Transition Period. As you may imagine, EU trade plays an important role for the UK rail sector, with total overseas exports currently worth some £800 million. We welcome the commitment to zero tariffs and zero quotas between the UK and the EU, along with the need to increase our EU rail exports, and we look forward to understanding the potential opportunities for our members under the Horizon Europe programme.

It is more important now than ever that such partnerships continue, in order to maximise the potential for rail to wider Government agendas on innovation, productivity and zero carbon. Furthermore, RIA regards the TCA as an opportunity to re-establish relationships in Brussels, with key European partners as a third country, as well as ensuring the UK can take a lead in certain areas where we have a particular strength. Given the exceptional impact of the Coronavirus pandemic, and the fact these are early days since leaving the Transition Period – with pre-EU Exit stockpiling having an effect too – we think it is fair to say that the new rules have not yet been fully tested. So the points made in this submission should be regarded as RIA's preliminary views.

RIA considers the following to be the **key current priorities**. We need to:

- **Ensure effective relationships with EU colleagues and partners** – including a shared positive interpretation of the TCA;
- **Prioritise, where TCA commitments allow, for further simplification and improvements** – for example, on recognition of UK Notified Bodies and professional qualifications;
- **Identify medium-term goals to further remove burdens that inhibit trade** – for example, seeking opportunities for cumulation

of Rules of Origin, perhaps linked to trade negotiations with wider partners such as the potential future CPTPP agreement; and

- **Demonstrate shared leadership on areas such as zero carbon** – where rail has the potential to play a critical part in reaching zero carbon goals.

Our members tell us that reducing friction at the Border remains a key immediate concern for the **trade in goods** for the rail sector whilst other issues may need to be resolved in future rounds of negotiations. For example, quotas and tariffs remain for steel exports: this is an area where RIA would support negotiations to secure zero tariffs and quotas, including a rolling back of the tariffs introduced on US trade in steel. RIA members would also welcome further efforts to promote **trade in services** – including anything that can be done to simplify the complex new visa and work permit requirements.

Overall our **RIA trade 'asks'**, remain relevant to all UK trade negotiations:

1. **Rail to be recognised as a key export sector**, for both goods and services, in the negotiation and delivery of free trade deals.
2. **Access to an appropriately skilled workforce and mobility for skilled UK workers** – the rail industry needs workers at all skills levels to support its ability to compete globally.
3. **Consistent application of standards** – RIA would want to see mutual recognition/ equivalence and non-discrimination as core principles in all UK trade agreements. This would support the competitiveness of the UK rail supply sector and ensure economies of scale.
4. **Smooth cross border trade rules** – which minimise cost and delay and avoid trade distortionary tariffs.
5. **Public procurement** – reciprocal rules on market access and domestic content. As rail is primarily funded by the public purse throughout the EU and internationally, this is a key concern for the UK rail supply chain.
6. **Opportunities for collaboration on rail research and development.**