

“UK now has best of both worlds,” says member of Trade & Agriculture Commission

An exclusive analysis for CIBUK.Org and Facts4EU.Org by a Government advisor

Trade expert Catherine McBride tells readers why we should celebrate the CPTPP deal

Both CIBUK.Org and Facts4EU.Org are pleased to bring readers an exclusive article this Easter by a Government advisor and a member of its Trade and Agriculture Commission. In it, the economist Catherine McBride outlines the benefits of the UK's latest trade deal and answers some key questions.

CIBUK.Org researched and published a series of summary reports on the CPTPP trade deal.

Today (Sat 08 Apr 2023) we bring you an exclusive article from someone who lives and breathes trade deals, and who advises the Government. In it she highlights the benefits of the latest deal, answers the questions which have been raised, and gives concrete examples of why **we should celebrate this win for Brexit Britain**.

The CPTPP gives the UK the best of both worlds

By Catherine McBride



1. The CPTPP includes some of the world's fastest growing and affluent markets

Looked at coolly, the UK is now in a good strategic position. We have a free trade deal with the EU, as well as a trade deal with the fast-growing and affluent economies surrounding the Pacific. These two deals give Britain the best of both worlds.

As the 2022 trade data shows, the UK-EU Trade and Cooperation Agreement (TCA) successfully preserved our goods exports to the EU at approximately 2019 levels – which is fine, because some of our previous exports to the EU no longer count as such, because none or not enough of their manufacture happened in the UK.

This is due to the TCA's product Rules of Origin. And this has happened in both directions. So many of our former imports from the EU are also no longer counted as being from the EU. This was most obviously seen in clothing and shoe exports/imports but these goods have been manufactured outside the UK for years.

2. The CPTPP is a genuine trade deal and aims to be

everything that the WTO was meant to be



The CPTPP has no desire to be an 'ever-closer union' and is not trying to impose its bureaucracy onto its members. It is not interested in raising taxes to pay for another layer of expensive bureaucrats with flash offices and chauffeur-driven cars. A proportion of both VAT and UK Tariffs on imported goods went to the EU.

Unlike the EU, the CPTPP does not restrict its members' access to goods from outside the CPTPP by applying tariffs, quotas or other regulatory barriers to them.

If the UK continues to buy EU pork, the CPTPP will not force the UK to add tariffs to it. However, when we were part of the EU, had we dared to import more than seven thousand tonnes of Australian beef into the UK we would have had eye-watering tariffs applied to it by the EU. So, this rarely happened. In case you are wondering, 7,000 tonnes of beef is about 100 grams each, per year. So not even enough to make one small hamburger.

3. The UK already has trade agreements with 9 of the 11 CPTPP members so why is this different?

The UK does not have a trade agreement with Malaysia or Brunei and its trade deal with Vietnam is limited, and the other rolled over (EU negotiated) FTAs were written to suit EU businesses. This is why the UK is renegotiating its current trade deals with both Mexico and Canada.

Joining the CPTPP allows UK manufacturers to cumulate CPTPP

materials and semi-finished goods for trade purposes, which individual bilateral trade deals don't.

The CPTPP has liberalised tariffs among its participants and has one set of Rules of Origin which allows for accumulation of content from other CPTPP members, when calculating if a good has enough CPTPP content to be exported tariff free to other CPTPP members.

This is very important for UK exports, especially its fashion and footwear industry that saw trade statistics with the EU drop dramatically post Brexit, and saw tariffs increase due to the EU's Rules of Origin. So a UK fashion company that uses wool or cotton produced in Australia and/or made into cloth in Malaysia and/or made into clothes in Vietnam, could sell those goods in Japan or Canada at the CPTPP preferential tariff rate.

This accumulation will also help SMEs and the 'start-up' fashion brands. The CPTPP requires its members to establish a committee to identify ways to assist SMEs to take advantage of the commercial opportunities in the CPTPP and help them export. This is contained in Article 24.2.

4. What could the UK import from the CPTPP?

Despite all of the social media hoo-ha about UK farmers being driven out of business, most CPTPP members are not large exporters of agricultural goods – except New Zealand and to a lesser extent Australia. (Australia's most valuable exports are mined products – coal, iron ore, silver, lead and zinc, bauxite/aluminium and gold)

The UK already has trade deals with both Australia and New Zealand and both countries agreed that they wouldn't increase their market access under the CPTPP. So here is a list of the major exports of the countries in the CPTPP.

- Australia: Coal and LNG; iron ore, copper and zinc; gold; wheat and barley; beef and sheep meat.
- Brunei Darussalam: Gas, refined oils and crude oils.
- Canada: Crude oil, gas and refined oil; cars and parts; machinery; gold; wood and charcoal; plastics; aluminium; fertilisers. Their first agricultural export is cereals, and it is their 15th most valuable export, Soy is 18th and meat is 19th. And their biggest market is the US.
- Chile: Fruit and nuts; beverages; and inorganic chemicals. Chile is the world's largest copper exporter, and also exports molybdenum and some zinc.
- Japan: Turbo jets, bulldozers and printing machinery; motor vehicles and parts; electric accumulators, transformers, converters and ignition equipment; gold, silver and platinum; medical instruments and apparatus for chemical analysis.
- Malaysia: Electronic integrated circuits and parts, semiconductors, and telephones; printers and data-processing equipment; and palm oil and its fractions.
- Mexico: Motor vehicles and parts of vehicles; monitors and telephones; wire and cables; automatic data processing equipment; crude oil; medical equipment; and plastics.
- New Zealand: Sheep meat and beef; beverages (wine); dairy products and honey; and fruit (apples, grapes and kiwis).
- Peru: Mineral fuels; fruit and nuts; copper, iron ore, zinc and gold.
- Singapore: Electronic integrated circuits, telephones and semiconductors.
- Vietnam: Telephones, mobile phones, transmission equipment and parts; footwear; and clothing.

5. What could we export to the CPTPP?

The same things we export everywhere:

Motor vehicles, mining equipment, aircraft engines, pharmaceuticals, precision equipment, electrical machinery, whisky and gin, organic chemicals, and chemical products. Business services, financial services, telecommunications, insurance and pension services, intellectual property services, engineering and architectural services and cultural and recreational services. (TV shows, music, orchestras etc.)

– By Catherine McBride, Saturday 08 Apr 2023

About the author : Catherine McBride is an economist and a member of the Trade and Agriculture Commission (TAC). The TAC is an independent expert committee comprising specialists in:

- UK animal and plant health standards
- UK animal welfare standards
- UK environmental standards as they relate to agricultural products
- International trade law and policy

What they do: Their role is to scrutinise new Free Trade Agreements (FTAs) once they are signed, to inform Parliament's understanding of whether measures within FTAs are consistent with the maintenance of UK levels of statutory protection in relation to UK animal and plant health, animal welfare, and environmental standards. They are independent of the Department for Business and Trade (DBT) and DBT ministers play no part in the TAC's advice on FTAs. However, they are supported by a small Secretariat which is based in the DBT.

Observations

We are grateful to Catherine McBride for her briefing for readers on the UK's latest trade win. In her article above she underlines the benefits which will flow to the United Kingdom from the CPTPP deal.

As we pointed out in our series of reports on this, the CPTPP deal would not have been possible in any shape or form while the UK was still a member of the European Union.

The CIBUK.Org team would like to wish all readers a Happy Easter.

The Brexit Facts4EU.Org article can be found [here](#).

Please support our work today, to enable us to carry on, thank you!

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