



Department for
International Trade

Trade White Paper: Preparing for our future UK trade policy

Government Response

January 2018

Withdrawn 19 March 2020

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Foreword from the Secretary of State for International Trade and President of the Board of Trade

In October, we published the Trade White Paper, which set out our ambition to building a future trade policy that not only delivers benefits for the UK's economy but for businesses, workers and consumers alike. The United Kingdom has a long and proud history as a great trading nation and champion of free trade with all parts of the world. We want to maximise our trade opportunities globally and across all countries – both by boosting our trading relationships with old friends and new allies, and by seeking a deep and special partnership with the EU. The IMF projects that around 90% of world growth is likely to come from outside the EU¹ so it is likely that a greater proportion of UK trade will continue to be with non-EU countries.

The paper contained the principles that will guide future UK trade policy as well as laying out the practical steps that will support those aims.

Global trade has had, and continues to have, an overwhelmingly positive impact on prosperity in communities up and down the UK as well as around the world. That is why we are committed to working with businesses to help them make the most of the many trade opportunities as we leave the EU. In all of this we will work closely with the devolved administrations as we forge new and deeper trade relationships around the world.

Since the publication of the Trade White Paper, the Government has launched its Industrial Strategy. Our future trade policy has the Industrial Strategy at its heart, enabling businesses to export, attracting investment and encouraging collaboration from emerging and established partners across the globe.

We have also introduced the **Trade and Taxation (Cross-Border Trade) Bills**, which will ensure the UK is ready for when we leave the EU, providing continuity for individuals, businesses, and international trading partners.

I have always been clear that our approach to developing our future trade policy must be transparent and inclusive. The White Paper asked for views both on the specific legal powers and the broader developing approach. It generated nearly 8000 responses from a cross-section of business and society. I am very grateful to all those who responded, with people saying that they welcomed the opportunity to contribute to the **development of our future trade policy**.

This document sets out the Department's response and the follow-up actions that will be taken as a result of your feedback.

As we progress with **developing our future trade policy**, we remain committed to meaningful engagement and an open dialogue with business, partners and stakeholders from across the UK. My team of Ministers and senior officials have met with a wide range of interested parties and this has been incredibly valuable in informing our approach. I would urge you to continue to engage with us as we develop our **future trade strategy**.

¹ Source: DIT estimate drawing on IMF's September 2017 WEO data, based on GDP measured using purchasing power parities (PPPs)

Introduction

1. The paper welcomed views from respondents on all aspects of our developing approach and sought views in particular on:
 - a. Our commitments to an inclusive and transparent trade policy;
 - b. Our approach to unilateral trade preferences; and
 - c. Our approach to trade remedies.
2. This document summarises the submissions received and sets out the Government Response.
3. We received 150 responses providing feedback and evidence in response to specific questions posed in the policy paper and to our general approach to a future UK trade policy. Submissions were received from across business and civil society, including representative organisations and non-government organisations (NGOs).
4. In addition, we received a large number of responses (7429) as part of a Civil Society campaign on transparency and inclusivity.

How this document is structured

5. The White Paper was divided into the principles we will follow as we develop a UK trade policy. Responses to the questions have been analysed and collated into themes around these key principles. After summarising respondent views, we have set out our response.
6. This paper does not contain a full list of received responses, and the views set out in this paper are not attributed to individual respondents or groups of respondents.

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1. Supporting a rules-based global trading environment

The UK has long been, and remains, a strong supporter of an open, rules-based international trading system. When we leave the EU we will regain our independent seat at the WTO. As an independent member and one of the largest economies in the world, we will be in a position to intensify our support for robust, free and open international trade rules which work for all, and to help to rebuild global momentum for trade liberalisation. As part of our commitment to the rules-based global system and the benefits it brings, we will take specific steps as we leave the EU to ensure the UK remains part of the WTO Government Procurement Agreement (GPA).

1.1 Schedules (WTO)

Respondents support the Government's strategy to transition the UK's WTO membership as we exit the European Union, approving of the methodology and process being followed vis-à-vis tariff rate quota apportionment. Clarity was requested in a number of areas, including updates on the process, information regarding the time needed to reach agreement to certify the UK's schedules and what might happen if the UK leaves the EU before this agreement is reached. Responses also highlighted the need for cross-government and industry involvement in the process.

Response

The UK is a member of the World Trade Organization (WTO) in its own right, and we currently meet all the obligations of WTO membership as a member of the EU. However, in leaving the EU we will need to update the terms of our WTO membership. The Government is preparing UK-specific WTO schedules which, as far as possible, will not alter the scope of UK market access obligations either in our goods (GATT) or services (GATS) schedules. In goods, this also includes the market access currently enjoyed by trading partners under Tariff Rate Quotas (TRQs) and Aggregate Measurement of Support (AMS). In services, it also means preparing a UK-specific Annex on Article II (Most Favoured Nation Treatment) exemptions under the GATS. The government has consistently said that the best way forward is for the UK to replicate, as far as possible, its current commitments. It is our intention to do this and to have our WTO schedules on the way to certification by the point we leave the EU. Should the goods and services schedules be uncertified as we leave the EU, we do not anticipate there to be any problems – it is not uncommon for WTO members to operate on uncertified schedules for periods of time. In any case we will continue to work for as early a certification point as possible. The EU itself has not had up to date certified schedules since the EC15 enlargement in 1995.

Progress has been made on the UK's transition at the WTO. We have engaged openly with all WTO Members since our vote to leave the EU. We have also engaged with Devolved Administrations, as well as business, farming and others interest groups, discussing our intentions with them and updating them on our progress.

In addition, the UK and the EU jointly issued a letter to WTO members on 11 October 2017, which is available at:

<https://www.gov.uk/government/news/uk-and-eu-set-out-proposals-to-wto-members-for-trade-post-Brexit>.

This details our shared intention to apportion TRQs and AMS. Following the publication of this letter we have continued to engage WTO Members on our transition, focusing more specifically on TRQs. We also held an extensive series of meetings on our WTO transition in the margins of the 11th WTO Ministerial Conference in Buenos Aires on 10 to 13 December 2017.

The UK will remain a strong supporter of the WTO and trade liberalisation, just as it always has been. The UK recognises the value of the WTO for rules-based free trade, combining as it does negotiation, monitoring and dispute resolution, as well as technical assistance.

1.2 GPA

Responses to the Government's position on the WTO Agreement on Government Procurement (GPA), as set out in the White Paper, have been largely positive. Independent UK membership of the GPA is viewed as a necessary next step by businesses and civil society. A particular point was made about how independent membership of the GPA is essential if small businesses are to have continued access to government contracts and procurement opportunities overseas. Furthermore, we note that certain academics, who submitted their work on the UK's future position in the GPA, came to the same conclusion as HMG – that independent membership of the GPA should be sought.

Response

The UK currently participates in the GPA via its EU membership and is taking the necessary steps to maintain its participation when the UK leaves the EU. The UK is seeking to join the GPA as an independent party after it leaves the EU, to safeguard guaranteed access to global public procurement markets for UK businesses, collectively estimated as worth over £1.3 trillion per annum, globally. Stakeholder engagement on the GPA has confirmed that continuing the UK's participation in the GPA is important to UK businesses. We will continue to engage with stakeholders throughout the coming months, to update them on the progress of UK independent UK membership of the GPA, and will seek further input and feedback from them on this policy area.

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2. Boosting our trade relationships

As we leave the EU, and develop our own trade policy, the Government is committed to ensuring that UK and EU businesses and consumers can continue to trade freely with one another, as part of a new deep and special partnership. We will also boost our trade relationships with old friends and new allies. As we prepare to leave the EU, we will seek to transition all existing EU trade agreements and other EU preferential arrangements. This will ensure that the UK maintains the greatest amount of certainty and stability in our trade and investment relationships for our businesses, citizens and trading partners.

2.1 Trading with the EU

While respondents welcomed the White Paper and the steps we are taking to be ready for exiting the EU, they also stressed the importance of a mutually beneficial settlement with the EU. Others emphasised the importance of the UK's future economic relationship with the EU. Our commitment to seek a time-limited implementation period was welcomed, with respondents stating this would allow them time to adjust, and to allow new systems to be put in place. The business community asked for greater clarity to allow for planning.

Response

While we are a member of the EU, we remain fully engaged in on-going EU trade business. We participate actively in EU trade working groups at all levels, and DIT Ministers represent the UK at EU Trade and Foreign Affairs Councils.

On 15 December the European Council confirmed that sufficient progress had been made to move onto the second phase of negotiations, related to transition and our future relationship. As the Prime Minister said, this is an important step on the road to delivering a smooth and orderly Brexit and forging a new, deep and special partnership. We have made good progress and have reached an agreement with the EU's negotiators on some very difficult issues.

The UK and EU negotiating teams have issued a joint report on the progress they have made on the three areas covered in the first phase of negotiations. It sets out:

- a fair deal on citizens' rights that allows for UK and EU citizens to get on with their lives broadly as now in the country they live;
- A financial settlement that honours the commitments we undertook as members of the EU - as we said we would. It is a fair delivery of our obligations, in light of the spirit of our future partnership; and
- An agreement on the island of Ireland that preserves the territorial integrity of the UK and the stability that has been brought about by the Belfast Agreement. The solution will see no hard border or physical infrastructure at it.

We welcome this conclusion. This is an important step forward for both sides and demonstrates the interests we share in managing our exit smoothly, and in moving the negotiations on.

The Government welcomes President Tusk's call for discussions on the implementation period to start immediately and his comments that it should be agreed as soon as possible. We are proposing a strictly time-limited implementation period, based on the existing structure of EU rules and regulations, during which the UK and the EU would continue to have access to one another's markets on current terms, and the UK would take part in existing security measures.

An implementation period also means that both businesses and public services will only have to plan for one set of changes in the relationship between the UK and the EU. The business community has been clear on the importance of this to their planning. The length of the period

should be determined simply by how long it will take to prepare and implement the new processes and new systems – right now this points to a period of around two years. And it should be agreed as early as possible, so as to provide certainty.

It remains the case that nothing is agreed until everything is agreed, but we hope the agreements we have reached so far will form part of a final package that establishes a deep and special partnership between the UK and the EU for the future - one that allows for the strong trade and the closest cooperation on the issues that matter.

2.2 Trading with the rest of the world

a. Transitioning EU-Third Country trade agreements

Respondents have welcomed the Government's commitment to providing stability and certainty for businesses and consumers, by seeking to continue existing EU-Third country trade agreements, and are keen to remain updated as work with partner countries progresses. It is essential that businesses, civil society and the wider public are kept updated on the progress of this work and that the programme of trade agreement continuity is transparent and inclusive.

Response

The Government intends to seek continuity of the effects of EU-Third Country trade agreements and other EU preferential arrangements. We are discussing with our trading partners how this continuity is best achieved and are looking at each EU trade agreement on a case by case basis. We have had positive reactions from partner countries to our approach, however it is too early to say what exactly this will mean in any one particular case or for any particular country. This is a technical exercise to replicate the effects of current trading rather than an opportunity to renegotiate terms. The Trade Bill contains powers that will enable the UK Government and devolved administrations to provide continuity where agreement has been reached with our partner countries.

We will continue to work with the devolved administrations to discuss our approach to maintaining the effect of current EU Free Trade Agreements and EU preferential arrangements, to ensure stability and continuity for businesses and consumers across the UK.

Since the Trade White Paper was published, we have engaged extensively with stakeholders, through our Director-chaired round table, a programme of regional events and 'town hall' style briefing sessions, and will continue this programme of engagement until continuity in trade agreements is secured.

b. Negotiating and implementing new trade agreements

Respondents welcomed Government's intention to develop a trade policy which supports foreign and domestic policy, sustainability, security, environmental and development goals. Submissions focused on the following points:

- that public services are protected; and
- that there is transparency in negotiating trade agreements.

Response

In addition to transitioning existing EU trade agreements, the Government is working with a number of other countries to explore the best ways to develop our current trade and investment relationships, which could include Free Trade Agreements (FTAs) as we leave the EU.

We have established working groups and high level dialogues with a range of key trade partners, including the United States, Australia, China, the Gulf Cooperation Council (GCC), India, Japan and New Zealand.

This involves preparatory work on the potential of future trade agreements. It also involves exploratory work with a number of countries on non-tariff measures that could facilitate trade (including tackling regulatory barriers to market access and the mutual recognition of qualifications).

It also involves exploring other mechanisms (beyond formal FTAs) to help grow the UK's trade relationship with these countries. These mechanisms include Joint Trade Reviews to explore existing trade relationships and the future potential for trade growth with key partners.

To inform DIT's policy positions and our approach to engagement with key partner countries, we are engaging with a range of stakeholders, from across civil society and business, through bilateral meetings, and a variety of briefing and workshop sessions. This commitment to engage with the widest range of stakeholders reflects our broader emphasis on a transparent, fair, and rules-based approach to international trade, within our new trade dialogues with partner countries.

Moving forward, we will build on the responses we have received in the White Paper to further develop engagement and scrutiny mechanisms that work effectively for stakeholders – to enable representatives from civil society and business to support trade negotiation and policy teams in DIT with their expertise. Any new trade deal must be right for UK consumers, producers (including agriculture) and businesses. We have always been clear that any trade deal must also uphold high levels of standards, including labour, health, safety, animal welfare and environmental standards.

Decisions about public services, for example the National Health Service, will be made by UK governments, including devolved administrations, not our trade partners. The UK's public health sector is protected by specific exceptions and reservations in EU trade agreements which allow it to introduce or reintroduce more trade-restrictive policy measures in future if desirable. As we leave the EU, the UK will continue to ensure that rigorous protections for the NHS are included in all trade agreements to which it is party. The UK Government ensures that decisions about how public services and outcomes are delivered for UK citizens are made by UK governments, not our trade partners.

We will continue to work to ensure that the process of negotiating and implementing new trade deals is transparent, efficient and effective, making provision for a legislative framework that will enable future trade agreements to move quickly from agreement to ratification and implementation, whilst supporting the due processes for full Parliamentary scrutiny.

We also remain committed to working with the devolved administrations on our approach to the implementation of new trade agreements signed after EU exit, as well as the role they will play in helping to shape the UK's future trade policy.

3. Supporting developing countries to reduce poverty

The UK Government has a long-standing commitment to support developing countries to reduce poverty through trade. The government will continue to support developing countries to break down barriers to trade. This in turn helps them to grow their economies, increase incomes and reduce poverty. Helping to build developing countries' prosperity creates the conditions that allow commerce to flourish, provide economic stability, and in doing so, opens up opportunities for UK business in future markets.

3.1 UK trading arrangements with developing countries

Overall, responses strongly welcomed the Government's commitment to development as part of UK trade policy. These responses were also highly supportive of our approach to maintaining current access for the world's poorest countries to UK markets and our aim to maintain preferential access for other developing countries. Respondents suggested areas of improvement including: extending preferences to a wider set of countries, simplifying rules, and extending the range of products that can benefit from zero or reduced tariffs.

Several respondents questioned the development impact of Economic Partnership Agreements (EPAs) with some respondents suggesting EPA countries should instead return to a unilateral scheme. Other responses noted the benefits of rolling-over EPAs in the short-to-medium term for continuity purpose.

Respondents also highlighted areas where the UK could better support developing countries, beyond trade arrangements, in the future. This includes how the UK can: support developing countries to trade; include provisions on sustainable development, gender and human rights in future trade arrangements; and conduct thorough impact assessments which include the potential development impact.

Response

As we leave the EU, a smooth transition is needed not only for the UK but also for developing countries. We will continue to engage closely with stakeholders on trade and development policy over the coming months and also looking address the issues raised in response to the White Paper as part of that engagement. On EPAs, we have taken into account our partners' wishes for continuity and will seek to replicate the effects of these agreements as the UK leaves the EU. Our approach also takes into consideration the long-term benefits offered by EPAs, recognising the need for more mature bilateral partnerships as countries move towards middle-income status and providing a strong continuity message to business. Once we have left the EU, we plan to work with partners to further build and expand these trading relationships for the future.

As set out in the White Paper, we will also build on our track-record as a champion of trade and development by offering a fully integrated trade and development package which strengthens support to developing countries. As well as looking to enhance market access for developing countries, our aid spending will continue to provide support and expert advice to help break down barriers to trade and promote investment so that developing countries can take better advantage of these trade arrangements. This work will consider labour protections, the environment, human rights and other factors which support sustainable development. The Department for International Trade will continue to work closely with the Department for International Development on our future trade and development policy.

4. Ensuring a level playing field

Free trade does not mean trade without rules. As the UK leaves the EU, we will need to put in place an independent UK trade remedies framework to protect UK industry from injury caused by unfair trading practices, such as dumping or subsidies, or by unforeseen surges in imports. Consistent with our WTO obligations, the UK's framework will be implemented by a new mechanism to investigate cases and propose measures that offer proportionate protections for UK industry.

4.1 Trade remedies

On the whole, respondents support the Government's proposals to create a trade remedies framework that is impartial, proportionate, efficient and transparent, and seeks to ensure a level playing field. There is strong consensus for scrutiny of the process, including parliamentary scrutiny of secondary legislation and continued engagement with stakeholders to ensure their input. Across all groups of external respondents there has been positive reception to the use of a digital service in our trade remedies framework.

As earlier stakeholder engagement had indicated, a number of respondents were concerned about aspects of the Government's approach, in particular, the market share threshold, the lesser duty rule and the economic interest test.

Some businesses raised concerns that the introduction of a UK-specific market share threshold, in addition to the WTO standing test, in relation to initiating investigations, might be used by the new Trade Remedies Authority (TRA) as a case management tool. There was some opposition towards use of the lesser duty rule, with some industry associations raising concerns that it would not offer strong enough protection for UK industry, and urging Government to work closely with industry to develop the detail of how it would be applied in practice in order for it to function effectively.

Respondents were also divided over the inclusion of an economic interest test; some trade organisations and industry associations questioned how the test will work in practice, and whether it will ultimately become a political decision. They expressed concern that a test would assign too much importance to consumer interests. However, other respondents, such as retailers and representatives of the legal profession, were in favour of establishing a way to balance wider interests, such as those of downstream users and consumers, on a case by case basis. Additionally, some respondents expressed concern at the concurrent application of an economic interest test and lesser duty rule.

Some respondents also expressed concern that the White Paper did not set out the Government's approach to dealing with imports from non-market economies and argued that adequate provisions for dealing with such situations should be set out in the primary legislation.

Representatives from the legal profession also recognised the importance of balancing the need for independent and impartial analysis of trade remedies cases with the need to ensure an appropriate role for Ministers in the process.

Response

The Government has continued to engage extensively with stakeholders and other interested parties via a range of roundtables, bilateral and Ministerial meetings since the summer, to understand stakeholder views and discuss the design of the UK's future trade remedies framework. We recognise the concerns expressed, during these meetings, and in response to the White Paper, by both the producers of products currently protected by trade remedy measures, and by the downstream users and consumers of these products. The Government believes that the

measures proposed ensure a transparent and proportionate approach to ensuring UK businesses are able to compete on a fair playing field.

The market share threshold is only intended to preclude the initiation of an investigation in limited 'de minimis' cases where the complainants have such a small share of the UK market that it's clear upfront that measures would not be in the wider economic interest of the UK. In this way it operates in the interests both of UK industry and the tax payer, as it will ensure that they do not incur the costs involved in an investigation that is likely to fail. The threshold is not intended to be used by the TRA as a way to manage workload.

The Government is committed to ensuring there are robust protections in place for UK industry, while taking appropriate account of impacts on users and consumers and the wider trade agenda. This commitment is reflected in the use of the lesser duty rule and economic interest test. The lesser duty rule, an approach encouraged by the WTO, removes the injury suffered by industry without adding unnecessary or disproportionate costs to downstream users or consumers and has been shown to achieve a reduction in injurious imports where it has been used by the EU. The UK's economic interest test is similar to the Union interest test currently used by the European Commission. It operates on a starting presumption in favour of measures where there is evidence of injury caused by dumping or unfairly subsidised imports, but allows the TRA to consider whether measures might have a disproportionate impact on wider economic interests and ensures that measures are not imposed where they are not in the overall economic interests of the UK. To increase transparency to business, the economic interest test will be based on a list of objective economic criteria set out in legislation.

We recognise the concerns expressed by some respondents at the concurrent use of lesser duty rule and economic interest test, but it is important to note that these are very different. The lesser duty rule makes sure that any duties imposed are set at the level necessary to address the injury to UK producers, and focuses only on the injury suffered by producers. The economic interest test then considers what the wider impacts of the measures would be on other affected groups, such as downstream user industries and consumers, to make sure that measures are in the overall economic interest of the UK.

With regard to the concerns expressed about imports of goods from countries where a particular market situation exists such that the normal value of a good cannot be properly determined using domestic costs, all major economies have a trade remedies framework that enables investigations to use alternative methodologies in such a situation and the UK will be no different. The Taxation (Cross-border Trade) Bill and Trade Bill were introduced in November 2017. This legislation establishes a framework for the UK's future trade remedies system that is impartial, proportionate, efficient and transparent. The framework will be delivered by a new Trade Remedies Authority (TRA) with the right level of independence to allow it to reach informed and objective conclusions. Work is now underway to develop the detail of how the system will work in practice, once the UK operates its own trade remedies regime. The Government will continue to engage with a wide range of stakeholders to develop our thinking as this work progresses, as well as with the Devolved Administrations.

In order to ensure as much continuity as possible for UK industry once the UK operates its own trade remedies regime, the Department has issued a call for evidence, to identify which of the existing EU trade remedy measures are most relevant to the UK's industries. This will identify existing measures that meet the needs of UK business and need to be maintained, and identify those which have no positive benefit for UK industry or only prove to increase costs to consumers. The call for evidence can be accessed here: <https://www.gov.uk/government/consultations/call-for-evidence-to-identify-uk-interest-in-existing-eu-trade-remedy-measures>

4.2 Conducting trade disputes

We received constructive responses on questions around trade disputes and market access barriers. They focused on the importance of transparency; the interaction between WTO disputes policy and future free-trade agreements; making sure that our disputes mechanisms are accessible and user-friendly; the UK's operational capacity to launch and defend disputes; the function of dispute resolution mechanisms in free-trade agreements (including a future deal with the EU), and on the importance of effectively addressing non-tariff barriers to trade.

Response

When we leave the EU, the UK's independent trade disputes capability will form part of a holistic approach to protecting and advancing the UK's trade interests. We recognise that clear communication between government and industry is vital in creating effective disputes capability. The nature of trade disputes means that some of the information held by the Government will be commercially sensitive, and some procedures will be operationally sensitive; however, where appropriate we will always aim to be open to and approachable by businesses and other interested parties. Provisions for dispute resolution chapters in free trade agreements are important for ensuring that all parties comply with their obligations, thereby increasing predictability and certainty for UK businesses. We are assessing the various forms that these chapters can take, and will aim to secure mechanisms that are effective and timely, and maintain recourse to WTO dispute settlement procedures.

When it comes to a future UK-EU trade partnership, the UK will continue to engage constructively to negotiate an approach to enforcement and dispute resolution which meets the key objectives of the UK, whilst underpinning the deep and special partnership we seek with the EU. In this field as in others, in leaving the European Union we will bring about an end to the direct jurisdiction of the Court of Justice of the European Union once we have left the EU.

The Government's policy capacity to support the launching and defence of WTO disputes continues to grow, as recruitment of experienced staff and training of existing staff continues.

We welcome the recognition of the importance of addressing non-tariff barriers to trade. The Government is developing its approach to dealing with market access barriers faced by UK businesses overseas, including building a comprehensive picture of market access barriers reported by UK exporters, and continuing to make effective use of our network of staff at Posts around the world.

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5. Trade that is transparent and inclusive

Our approach to developing our future trade policy must be transparent and inclusive. Parliament, the devolved administrations, the devolved legislatures, local government, business, trade unions, civil society, and the public from every part of the UK must have the opportunity to engage with and contribute to our trade policy. We will also take into account the views of the Crown Dependencies and Overseas Territories, including Gibraltar.

5.1 Transparency and scrutiny

Respondents were supportive of DIT's ambition to be as transparent as possible, and welcomed the Government's explicit commitment to take the views of a wide range of respondents into account. Similarly, respondents welcomed the Government's commitment to continue to respect the role of Parliament in preparing for an independent UK trade policy. There was wide engagement, with campaigns calling for us to maintain and strengthen the role of Parliament in trade negotiations. Respondents looked forward to receiving more detail on how this transparent approach to scrutiny will work in practice. Respondents also called for reassurances that consumer safety standards and public services, including the NHS, would be protected in any future trade deals.

A number of organisations highlighted their support for a remit for the devolved administrations in future trade agreements, and raised the importance of ensuring the input of the devolved administrations in trade negotiations and developing governance arrangements to support this effectively.

Response

The Government is committed to building transparency mechanisms that effectively shape the direction of future UK trade policy. The Government acknowledges the proposals offered by campaigns which outline various mechanisms for greater parliamentary involvement in trade agreements. These options will inform our trade policy considerations for the transparency and scrutiny of future agreements.

As our departure from the European Union offers us an opportunity to forge a new role for ourselves in the world by negotiating our own trade agreements, we will look at examples of engagement and scrutiny to aim for best in class that works for the UK. The Government appreciates the proposals outlining mechanisms for greater parliamentary involvement in trade agreements, and we will implement a continued programme of engagement in 2018. Our continued engagement with Parliament will build an understanding of the interests, attitudes and concerns about our future trade policy. The government will balance the need for public information and oversight whilst preserving confidentiality where it is required at vital stages of the negotiation.

The UK Government is fully committed to the Devolution settlements and recognises the devolved administrations' direct interest in our future trade arrangements. That is why we will continue to work closely with them to deliver an approach that works for the whole of the UK, reflecting the needs and individual circumstances of England, Scotland, Wales and Northern Ireland, and drawing on their essential knowledge and expertise.

We recognise that if we are to represent the UK effectively on the international stage, we must build support for our vision across all four nations and deliver real, tangible benefits. We are committed to working with the devolved administrations on our approach to the implementation of trade agreements signed after EU exit, as well as the role they will play in shaping the UK's future trade negotiations.

5.2 Inclusiveness

Respondents welcomed our commitment to an inclusive approach to developing a future UK trade policy. Some of the feedback asked for DIT to establish a formal mechanism by which stakeholders can engage with us. We received proposals on what this mechanism could look like with many respondents opting for a system of advisory boards.

There was also a call that whichever mechanism DIT ultimately puts in place, it should meet two broad principles:

- i.
 - This system should be inclusive of all stakeholders. This means that it should draw from business of all sizes and across all sector, civil society organisations and interest groups, and the public;
 - It should be accessible to stakeholders across the whole of the UK. Accessibility also means that the engagement mechanism should take into account the specific needs of particular stakeholders; for example, Small and Medium Sized Enterprises (SMEs) may not have the same capacity to engage as larger stakeholders.

Response

We recognise the importance of stakeholder input to policy development. Since the Department for International Trade was established in July 2016, we have engaged widely with a range of stakeholders. As we continue to develop our future trade policy, we reiterate our commitment to engage with Parliament, the devolved administrations, the devolved legislatures, local government, business, trade unions, civil society, and the public around the UK.

We also recognise the individual needs of different stakeholders. For example, we will encourage SMEs to take full advantage of the opportunities offered by future trade agreements. We will work to ensure their needs are factored in throughout new free trade agreements.

We have already been engaging in a variety of ways, and intend to build on this during 2018. Engagement events have thus far included:

- a. **'Town Hall' briefings:** Trade Policy Group (TPG) has delivered a number of Ministerial 'Town Hall-style' briefings for stakeholders;
- b. **Regional Roundtables:** Arranged as a series of meetings to systematically discuss issues and/or engage key stakeholder groups across the UK;
- c. **Digital mechanisms:** Government is improving the way it engages digitally to enable better access by a wider range of stakeholders. DIT is planning to pilot a webinar to enable smaller and regional stakeholders regarding the White Paper and the Trade Bill;
- d. **Bilateral:** We regularly engage stakeholders through bilateral meetings from different interests, sectors and with a range of DIT leads;
- e. **Ongoing engagement with stakeholders in 2018:** We write to stakeholders providing updates and those wishing to join this mailing list can contact us at: stakeholder.engagement@trade.gsi.gov.uk;
- f. **White Paper response follow-up:** engagement will be an ongoing need and will evolve as the context matures. DIT have already met with some respondents, and are planning further meetings with those who took the time to give substantive responses to discuss them those in more detail.

6. Auxiliary Submissions

The Department was happy to receive submissions on a number of supplementary points. While these were outside the specific scope of the consultation, the Department will take them into wider consideration as we develop our future UK trade policy. For example, academics and other trade experts have provided detailed legal and analytical advice on specific technical issues which were not addressed within the White Paper. The Department is fully considering these submissions and will contact respondents directly should we wish to explore their expertise further.

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7. Conclusion

In October, we published the Trade White Paper, which set out our vision to building a future trade policy that delivers benefits for the UK's economy and for businesses, workers and consumers. The overarching objective of our new trade policy is enhanced economic prosperity for the UK, through the development and delivery of a UK trade policy that delivers benefits for business, workers and consumers across the whole of the UK. In doing this, the government commits to the following underlying principles. The UK will:

- pursue economic prosperity for the UK and lead by example through our liberal economy and pursuit of free trade
- develop, support and enforce a fair and proportionate rules-based system for trade, domestically and internationally
- develop a trading framework which supports foreign and domestic policy, sustainability, security, environmental and development goals
- develop a trade agenda that is inclusive and transparent.

The United Kingdom has a long and proud history as a great trading nation and champion of free trade with all parts of the world. We want to maximise our trade opportunities globally and across all countries – both by boosting our trading relationships with old friends and new allies, and by seeking a deep and special partnership with the EU. In order to ensure continuity in relation to our trade around the world and avoid disruption for business and other stakeholders, the UK needs to prepare ahead of its exit from the EU for all possible outcomes of negotiations and to ensure that we have the necessary legal powers and structures to enable us to operate a fully functioning trade policy after our withdrawal from the EU.

The White Paper asked for views both on the specific legal powers and the broader developing approach. It generated nearly 8000 responses from a cross-section of business and society. The overall response was positive - respondents welcomed the opportunity to contribute to the development of our future trade policy. The detail of the responses to the White Paper has and will continue to help inform our future trade policy.

We will work with all stakeholders to ensure the benefits of trade can be widely felt and understood, managing the transition brought about by changes in the trade environment. Our approach to trade will align with our Industrial Strategy. That will be key to delivering an innovative, competitive and growing UK economy that benefits individuals and communities and makes sure the value of trade is more widely shared.

We will continue to ensure the way we develop our own trade policy is transparent and inclusive so that concerns are heard and understood, and better information is made available. We are continuing to engage regularly with our stakeholders. Feedback from the ongoing programme of engagement will continue to be considered as the approach towards our future trade policy further matures.

It is vital that Parliament, the devolved administrations, devolved legislatures, local government, business, trade unions, civil society, consumers, employees and the public from every part of the UK continue to take the opportunity to engage with and contribute to the development of our trade policy, working together as we develop an approach to maximise the benefits across all of UK society.

Withdrawn 19 March 2020

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DIT

The UK's Department for International Trade (DIT) has overall responsibility for promoting UK trade across the world and attracting foreign investment to our economy. We are a specialised government body with responsibility for negotiating international trade policy, supporting business, as well as delivering an outward-looking trade diplomacy strategy.

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