



Department for  
International Trade



An update on the UK's  
position on accession to the  
Comprehensive and Progressive  
Agreement for Trans-Pacific  
Partnership (CPTPP)

**Figure 1: Map showing CPTPP countries highlighted**





Source: Shutterstock: Map of Comprehensive and Progressive Agreement for Trans-Pacific Partnership, CPTPP or TPP11. Blue highlighted member states.

## An update on the UK's position on accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

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The UK intends to pursue accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) as a key part of our trade negotiations programme.

We do so for three reasons.

The first is securing increased trade and investment opportunities that will help the UK economy overcome the unprecedented challenge posed by coronavirus. Joining CPTPP would open up new opportunities for our exporters in strategically important sectors, helping to support an industrial revival in the UK.

Second, to help us diversify our trading links and supply chains, and in doing increase our economic security at a time of heightened uncertainty and disruption in the world.

The third is to help us secure our future place in the world and advance our longer-term interests. CPTPP membership is an important part of our strategy to place the UK at the centre of a modern, progressive network of free trade agreements with dynamic economies. In doing so we aim to turn the UK into a global hub for businesses and investors wanting to trade with the rest of the world.

Joining CPTPP will help us forge a leadership position among a network of countries committed to free trade and send a powerful signal to the rest of the world that the UK is prepared to champion free trade liberalisation, fight protectionism and remove barriers at every opportunity.

This public statement sets out our next steps towards CPTPP accession, and outlines in more detail why the UK Government aims to join this regional trade agreement.

## An agreement to support UK businesses to trade across the Asia-Pacific region

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CPTPP membership will help open up new opportunities for UK businesses, increase trade and investment and build on the strong economic ties we already hold with CPTPP members.<sup>1</sup> In 2019, each region and nation of the UK exported at least £1bn worth of goods to CPTPP member countries and we are keen to strengthen and expand this relationship with accession to the agreement.<sup>2</sup> UK companies held close to £98 billion worth of investments in CPTPP countries in 2018.<sup>3</sup> In 2019, we did more than £110 billion worth of trade with countries in this free trade area.<sup>4</sup> Membership will help us turbocharge our trade with these economies and deliver even greater benefits to the UK economy and our people.

CPTPP reduces tariffs on 95% of goods between its members and sets modern rules in areas of increasing importance for UK industry and business, including on digital trade, data, financial, professional, and business services. Joining CPTPP could boost UK trade in these areas and provide stability for British businesses, supporting the UK's aim to be a champion of open trade in services.

We will seek to use CPTPP to secure the benefits of trade for the small businesses and entrepreneurs who have suffered most during coronavirus. Trade barriers tend to disproportionately affect SMEs, who account for the bulk of the UK real economy. UK accession to CPTPP, with its dedicated SME Chapter, will simplify export processes and procedures for these businesses and make it easier for them to trade with this group of dynamic of markets, representing 13% of global GDP in 2018, increasing to more than 16% if the UK were to join.<sup>5</sup>

<sup>1</sup> CPTPP members include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam

<sup>2</sup> HMRC Regional Trade Statistics, March 2020: <https://www.uktradeinfo.com/Statistics/RTS/Pages/default.aspx>

<sup>3</sup> ONS Foreign direct investment involving UK companies: outward, <https://www.ons.gov.uk/businessindustryandtrade/business/businessinnovation/datasets/foreigndirectinvestmentinvolvingukcompaniesoutwardtables> (accessed March 2020).

<sup>4</sup> ONS UK total trade: all countries, non-seasonally adjusted, <https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/datasets/uktotalltradeallcountriesnonseasonallyadjusted> (accessed May 2020).

<sup>5</sup> IMF World Economic Outlook, October 2018: <https://www.imf.org/external/pubs/ft/weo/2019/02/weodata/index.aspx> (accessed April 2020).

## An agreement to build stronger relationships with old and new friends, championing free trade and establishing high quality rules across the region

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Accession would help us realise our ambition to have 80% of UK trade covered by free trade agreements in the next three years, while also enabling us to work more closely with close allies in the Asia-Pacific region, including Australia, Japan, New Zealand and Singapore, as well as in Latin America and with Canada. It would consolidate growing relationships with partners and help us play a more meaningful role in strengthening and shaping the rules-based international system.

If we want to secure the economic benefits of free trade for the people of the UK, we need to speak up for it on the world stage. CPTPP accession helps us do that and puts the UK at the centre of a network of countries committed to free trade and to the global rules underpinning international commerce.

CPTPP membership will complement the bilateral FTAs we hold with CPTPP members, including deals we hope to strike with Australia, New Zealand and Japan, and existing EU agreements with Canada, Chile, Mexico, Peru, Singapore and Vietnam. This underlies our strong commitment to the Asia Pacific and Americas and the opportunities these regions offer UK businesses.

CPTPP, however, offers something fundamentally different to a network of bilateral FTAs, creating opportunities to deepen our trading links across the Asia-Pacific region, from South East and East Asia to Australasia, and the Americas. It will help put the UK at the heart of a network of FTAs, increasing our appeal as a gateway to parts of the world with high growth potential and in doing so attract more inward investment.

We also believe it will help fundamentally strengthen ties between nations who believe in open markets and the importance of rules-based trade, and by doing so show the rest of the world that free trade is still the best way forward for the global economy after coronavirus.

## UK engagement with CPTPP member countries and next steps

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Since July 2018, we have engaged with all 11 member countries at both ministerial and official level to explore UK accession to CPTPP. All CPTPP members have welcomed the UK's interest in accession. This approach aligns with the accession process as outlined by the CPTPP Commission in early 2019, which encourages countries to engage informally with every CPTPP member, addressing any concerns and questions before formally applying.

Any final application decision we make will consider both the progress of bilateral negotiations with CPTPP members and our confidence that we will be able to negotiate accession on terms compatible with the UK's broader interests and domestic priorities.

The UK sees significant advantages in joining CPTPP and believes that our accession can strengthen the Agreement. However, we will only do so if we are satisfied that we are able to in a way that supports our national policy interests, including those highlighted by respondents to our public consultation on potential CPTPP accession.

Before applying, we will publish an Outline Approach and a Scoping Assessment setting out our negotiating objectives and the economic impact and benefits of accession.

At that stage, we will also provide a formal response to the Government's public consultation on the UK potentially seeking accession to CPTPP, outlining how our decisions and approach to accession have been informed by the submissions received from members of the public, businesses, and civil society organisations. The input we have received through this consultation continues to inform our preparations.





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The Department for International Trade (DIT) helps businesses export, drives inward and outward investment, negotiates market access and trade deals, and champions free trade.

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