



Department for
Business & Trade



**Accession of the
United Kingdom of
Great Britain and
Northern Ireland to
the Comprehensive
and Progressive
Agreement for
Trans-Pacific
Partnership:
Sector Explainers**

Construction



The UK is a leader in construction services, including consultancy, design, and project management. Facilitating trade and services through CPTPP could see a boost of £119 million+ for the entire construction sector¹. Construction companies will be able to benefit from tariff-free exports, flexible rules of origin that allow for cumulation across all CPTPP countries and preferential and stable market access for service providers.

Tariff-free exports

Over 99% of current UK goods exports to CPTPP members will be eligible for tariff-free trade once we have joined. Removing or reducing tariffs makes it easier and less expensive to trade physical products between our countries. Tariffs will be eliminated on UK exports of all building materials and construction machinery (including diggers, bulldozers and fork-lifts) to Malaysia. Tariffs will be eliminated sooner on UK exports of building materials (including bricks and tiles) to Vietnam compared with under the existing bilateral agreement.

Rules of Origin

To help UK exporters access preferential tariffs, CPTPP provides a single set of rules of origin that define whether a good is 'originating'. CPTPP cumulation may make it easier for some UK exports to qualify for preferential tariff treatment than under bilateral Free Trade Agreements. This could be the case where UK manufacturers import intermediate inputs from other CPTPP countries, carry out processing, and then export finished products to CPTPP countries.

Simple customs procedures

CPTPP will help facilitate bilateral trade by ensuring that members' customs procedures are efficient, consistent, transparent, and predictable whilst also allowing each Party to maintain effective customs controls.

Recognising professional qualifications and facilitating business travel

The agreement encourages countries to recognise each other's professional qualifications. It also includes commitments which support and facilitate business travel, making it easier for highly skilled business persons in the construction industry to supply services in another CPTPP country. For example, professionals, including engineers, will be able to stay for up to 6 months in Peru and Vietnam to supply specialised services. This is double the amount of time in comparison to the UK's previous bilateral agreements with these members. The UK will also, for the first time, bind in greater certainty for contracted service suppliers, both as an employee or self-employed, travelling to Malaysia for business purposes. British professionals will be able to travel with more confidence to Malaysia across 19 economic sectors, including the construction sector, for stays of up to 12 months.

Removing regulatory barriers

The Technical Barriers to Trade (TBT) chapter facilitates trade by addressing non-tariff measures- specifically technical regulations, standards and conformity assessment procedures for construction products. The chapter commits parties to ensure that technical regulations are non-discriminatory and restrict trade as little as possible in order to achieve their objectives. The TBT chapter also establishes a TBT Committee, which can enhance cooperation and information exchange between CPTPP members. This can provide a route to address issues faced by UK businesses of all sizes (including SMEs) when exporting to CPTPP markets.



Modern rules for digital trade

The UK's global leadership in the construction sector is being digitalised across the world, where the UK continues to lead the way in the integration of innovative technologies and data-driven processes to deliver infrastructure that is smart and sustainable. This means that we can deliver our existing construction services better and we can offer new services that are built on digital foundations. CPTPP's modern digital provisions will make it cheaper and easier for businesses to expand and sell their services to CPTPP markets, by facilitating the free flow of data and includes provisions to prevent unjustified data localisation requirements, whilst committing all Parties to provide a legal framework for the protection of personal data. It also promotes appropriate protections for businesses and consumers, as well as enabling digital administrative processes that ensure customs duties are not imposed on electronic transmissions.

Guaranteed access to government procurement markets

The procurement chapter in CPTPP sets standards for government purchases of goods, services and construction activities. These require all Parties to treat each other's suppliers fairly when they are competing for contracts covered by the agreement. Joining CPTPP will build on the existing comprehensive agreements the UK has with most member countries by providing UK businesses with even greater access to opportunities in their government procurement markets in several areas, including architecture, engineering and infrastructure. It will also mark the UK's first ever trade agreement containing government procurement provisions with Brunei and Malaysia. This will create entirely new access to opportunities for UK businesses in the government procurement markets of both countries in areas such as infrastructure and transport.

Case Study

Mott MacDonald is an engineering, management and development consultancy headquartered in the UK and operating globally, including in all of the countries covered by the CPTPP. It is also a trusted partner of Sydney Metro in delivering its multi-billion dollar rail programme.

"Mott MacDonald is strongly supportive of UK accession to the CPTPP and proud to have been part of the technical board advising the British negotiating team. The Partnership's ambitious services and procurement chapters pave the way for greater recognition of professional competence in engineering and architecture and establish open, fair and transparent competition rules in government procurement, allowing world-leading firms like Mott MacDonald to win and service new contracts across the many countries covered by the CPTPP."

**Ian Galbraith, Group Strategy Director,
Mott MacDonald**

Digital & Data



```
elif_operation == "MIRROR_Y":  
    mirror_mod.use_x = False  
    mirror_mod.use_y = True  
    mirror_mod.use_z = False  
elif_operation == "MIRROR_Z":  
    mirror_mod.use_x = False  
    mirror_mod.use_y = False  
    mirror_mod.use_z = True  
  
#selection at the end -add back the deselected mirror modifier object  
mirror_ob.select= 1  
modifier_ob.select=1  
bpy.context.scene.objects.active = modifier_ob  
print("Selected" + str(modifier_ob)) # modifier ob is the active ob  
#mirror_ob.select = 0  
#name = bpy.context.selected_objects[0]  
#bpy.data.objects[name].select = 1  
#print("Name of selected object: " + name)  
#name =
```

Digitally delivered services represented around 79% of all services exports to CPTPP countries in 2021 and exports of these services were worth £23 billion.² CPTPP contains cutting-edge provisions which create significant opportunities for digital trade across all sectors of the economy. By removing unjustified barriers to trade, we are ensuring data can flow and trade can flourish.

Joining CPTPP:

- ▶ Opens digital markets through securing customs duty-free trade in digital content across the CPTPP countries.
- ▶ Facilitates free flow of data and prohibits unjustified data localisation requirements.
- ▶ Ensures a comprehensive framework for the protection of personal data.
- ▶ Helps make consumers safer online by guaranteeing the UK and CPTPP Parties will have measures in place to protect consumers involved in digital trade.
- ▶ Protects businesses from facing forced transfer of their source code as a condition for entering CPTPP Parties' markets.
- ▶ Ensures businesses will be able to use electronic signatures without fearing that they will be rejected purely because they are electronic in form.
- ▶ Promotes future collaboration in cybersecurity.

This deal represents a significant upgrade on our older bilateral agreements with some CPTPP partners, where digital and data provisions were very limited.

Data flows: helping businesses and consumers online

Data is fundamental to how we live our lives, and its movement has become integral to doing business in all sectors of the economy, from the creative industries to manufacturing. The UK's membership of CPTPP gives us access to a set of commitments from like-minded countries which enable data to flow between its members whilst maintaining the highest data protection standards.

By preventing unjustified barriers to data flows, businesses can be assured that they can take advantage of the benefits of the digital economy when trading in goods and services and consumers are not prevented from accessing new

and exciting innovations that rely on data moving across borders.

The agreement also protects businesses from the unnecessary costs around storing or processing data by banning unjustified data localisation requirements. Such requirements are particularly onerous on SMEs, who can now seek new opportunities in this wide range of markets without fear of these costs being imposed.

Keeping your personal data safe

CPTPP safeguards the UK's high standards of personal data protection and locks in a requirement for personal data to be protected in all countries that are party to the agreement. Members are able to maintain their own domestic data protection regimes, while being encouraged to take advantage of respected international frameworks and guidelines.

Any transfers of personal data to CPTPP countries must continue to satisfy the UK's high data protection standards. The UK will maintain its high standards of data protection, as set in the Data Protection Act 2018 and UK GDPR.

The agreement supports business as it ensures data is protected by requiring transparency on how businesses can meet their obligations across CPTPP markets, while also guaranteeing consumers know how they can take steps to enforce their personal data protection rights.



Case Study

Wise is a global technology company focused on helping users to move money around the world. Launched in 2011, Wise works to allow users to pay, spend or move money in any currency - whether they are an individual or a business.

“The entrance of the UK to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership is a fantastic opportunity for UK businesses to expand globally into markets which are rapidly and dynamically evolving. For consumers, the benefits of a wider array of goods and services with lower tariffs are of immense benefit. Wise looks forward to continuing our expansion into CPTPP markets and assisting those consumers and businesses who want to send, spend and hold money in these markets to fulfil their international payments needs.”

Jack Pinczewski, Asia-Pacific Government Relations Lead, Wise



Case Study

Standard Chartered is a leading international bank, with a presence in 57 of the world's most dynamic markets.

“The benefits of UK accession for British businesses are clear: modern data and digital standards, significant tariff reductions and enhanced access to some of the world's most dynamic markets. As a global trade bank with a strong network across much of the CPTPP, we welcome the UK Government's success in agreeing accession to one of the world's largest free trade areas.”

Saif Malik, CEO, UK and Regional Head, Client Coverage, UK & Europe, Standard Chartered

Food & Drink



In 2022, the UK exported £2.4 billion of food and drink to CPTPP countries in current prices.³ Joining will create new opportunities for British food and drink producers to sell their brilliant products to some of the world's biggest markets in the Americas and Asia-Pacific, such as whisky, chocolate and dairy.

Reduced tariffs and increased market access for UK exporters

UK accession to CPTPP means that more than 99% of current UK goods exports to CPTPP members will be eligible for tariff-free trade. Removing or reducing tariffs makes it easier and less expensive to trade physical products between our countries. The UK dairy sector in particular, with global exports of over £2 billion in 2022 in current prices, is set to benefit from greater access to lower tariffs in Canada, Chile, Japan and Mexico, building on the £23.9 million of dairy we exported to these countries in 2022.⁴ The UK has also secured access to Mexico's beef, pork and poultry markets, and access to Canada's poultry market. Tariffs will also be eliminated on UK exports of chocolate and sugar confectionary to Mexico.

A free trade agreement with Malaysia and Brunei for the first time

The UK does not currently have a bilateral agreement with Malaysia or Brunei, so the UK joining CPTPP will offer significantly increased market access to both markets, giving businesses far better access to economies worth £330 billion and £13 billion in GDP in 2022, respectively.⁵ Tariffs of around 80% will be eliminated on UK exports of whisky to Malaysia within 10 years, improving market access for UK whisky exporters. UK chocolate and sugar confectionary exports will benefit from lower tariffs when exported to Malaysia, where they currently face tariffs of 10-15%.

Protecting British farming

Trade agreements bring many benefits to UK consumers and producers – including access to new and growing markets and the opportunity to import products which can't be produced all year round in the UK. However, trade agreements also have to be balanced with careful consideration of the possible impacts on UK producers. In the CPTPP agreement, the Government has negotiated a balanced agreement, with significant benefits for UK agri-food businesses and which

also has strong protections for the UK's sensitive agricultural products.

The protections the UK has negotiated mean that increased access to the UK market for sensitive agriculture produce will be staged over a significant period of time, giving producers time to adjust to any new trade flows. We have also agreed permanent annual limits on the volume of the most sensitive agricultural goods that can be exported to the UK at a reduced, or zero, tariff from major producing countries.

That includes permanent limits on the amount of beef, pork, chicken, milled rice and sugar that can be imported tariff-free from major producers of these goods in CPTPP. For eligible goods, a general transitional safeguard mechanism will provide a temporary safety net for industry if they face serious injury, or threat of serious injury, from increased imports as a result of the agreement.

Protecting the UK's high food standards

CPTPP will enable businesses to benefit from greater transparency and information sharing on the Parties' SPS conditions and measures and joining will not compromise our high animal and plant health, food safety or animal welfare standards.

All food and drink products imported into the UK will continue to have to comply with our import requirements. Nothing in CPTPP restricts the UK's sovereign right to set our own animal welfare and antimicrobial resistance policies.

The CPTPP SPS chapter builds on each Party's WTO obligations and sets out how they will facilitate trade while protecting human, animal and plant life and health.

The chapter will enable businesses to benefit from greater transparency and information sharing on the Parties' SPS conditions and measures. It establishes dialogue structures to discuss technical issues and resolve barriers to trade and encourages openness in the development of new SPS measures in line with UK future priorities for WTO reform. It requires Parties to conduct import

checks that are risk based, transparent, and carried out without undue delay, and to minimise red tape by encouraging the simplification of export health certificates.

The chapter's equivalence mechanism will make it easier for producers to secure approvals for their exports. It will remain for the UK to judge whether individual CPTPP Parties' standards are equivalent to those in the UK when considering our import controls. Provisions on regionalisation define the process for managing regional pest and disease outbreaks while maintaining trade flows.

The chapter seeks to minimise unjustified barriers to trade by ensuring that Parties' measures are either aligned with international standards or are based on documented and objective scientific evidence.

Removing regulatory barriers

The Technical Barriers to Trade (TBT) chapter facilitates trade by addressing non-tariff measures - specifically technical regulations, standards and conformity assessment procedures for food and drink products. The chapter commits CPTPP members to ensure that technical regulations are non-discriminatory and restrict trade as little as possible in order to achieve their objectives.

The TBT chapter also establishes a TBT Committee, which can enhance cooperation and information exchange between CPTPP members. This can provide a route to address issues faced by UK businesses of all sizes (including SMEs) when exporting to CPTPP markets.

The TBT chapter includes sector-specific annexes on wine and spirits, proprietary formulas for pre-packaged foods, and organic products. These annexes can help address common market access issues arising in these sectors. For example, the annex on wine and spirits requires Parties to make information about their laws and regulations publicly available, and establishes rules to prevent unnecessary labelling requirements for wine and spirit products.

Geographical Indicators

Existing GIs protected by the UK Government's GI schemes continue to be afforded high standards of protection. UK-produced GIs are exemplars of our produce, and they protect some of our most famous food and drink names. CPTPP does not provide for new protection for our GIs but enables new dialogue on standards of GI protection with members, which we will use to further the protection of our GIs abroad. As such, the UK Government's GI schemes will continue to protect GIs to high standards.



Case Study

Based in Wellington, Somerset, **Somerdale International** is a leading UK exporter of British cheese and dairy products, exporting to over 50 countries worldwide.

"The news that the UK will now be part of the CPTPP will mean that British cheese will be eligible for zero tariff status in a number of emerging Pacific-Rim markets. Somerdale International already has an established presence in Australia and New Zealand and sees good opportunities to grow further in other CPTPP markets including Vietnam, Singapore, Mexico and Canada."

Stephen Jones, Managing Director, Somerdale International



Case Study

The Glasgow Distillery was founded with the mission of bringing back quality spirits production to the city of Glasgow. Founded by two friends in 2012, Liam Hughes and Mike Hayward, they became the first new independent single malt scotch whisky distillery in Glasgow for over 100 years.

"Opening markets for trade within the CPTPP bloc is a positive move forward for The Glasgow Distillery and will allow us to continue growing our exports in this region. The opportunity this agreement provides will be particularly beneficial for our Single Malt Scotch Whisky brand, Glasgow 1770, which will benefit directly from reduced tariffs in Malaysia, allowing us to explore this as a potential new market."

Liam Hughes, Founder, The Glasgow Distillery

Life Sciences



The UK's thriving life sciences sector, which employs over 280,000 people across the UK⁶, will benefit from enhanced regulatory co-operation, as well as the elimination of tariffs. This will benefit a sector which contributed £94.2 billion to the UK economy in 2021.⁷

Greater regulatory cooperation

The Technical Barriers to Trade (TBT) chapter addresses technical regulations, standards and conformity assessment procedures. The chapter commits parties to ensure that technical regulations are non-discriminatory and restrict trade as little as possible in order to achieve their objectives.

The TBT chapter also includes sector-specific annexes on medical devices and pharmaceuticals, both of which promote transparency and best practices for regulating in these sectors. These annexes encourage collaboration through relevant international initiatives to help improve regulatory coherence and information sharing. The TBT chapter also establishes a TBT Committee, which can enhance cooperation and information exchange between CPTPP members. This can provide a route to address issues faced by UK businesses of all sizes (including SMEs) when exporting to CPTPP markets.

Intellectual Property

The UK will be a constructive member of CPTPP, we will champion our values and priorities, including through the committees and councils set up by the agreement.

The UK's IP regime achieves an effective balance between rewarding creators and innovation and reflecting wider public interests, such as ensuring access and use of IP on reasonable terms. Joining CPTPP has not impacted this balance and will complement and reinforce new and enhanced bilateral trade agreements we have already signed and are currently negotiating with CPTPP members.

The UK will not make any domestic changes regarding the patent grace period until the necessary amendments to the relevant international conventions have been made. The UK has therefore ensured our accession to CPTPP is consistent with our existing international obligations, such as the European Patent Convention (EPC). The UK will promote harmonisation in international fora regarding a grace period and will provide a yearly written

report to the Parties to the CPTPP regarding progress on this matter.

The UK meets the standards required for CPTPP accession including those related to pharmaceutical patents and generic medicines, with no changes required to the UK's arrangements. The UK has signed side letters on Article 18.53, which relates to the marketing of certain pharmaceutical products, with Vietnam and Canada. The letters clarify the flexibilities Parties have in complying with the Article and do not require action on the part of the UK.

The UK ensured that accession negotiations with CPTPP were consistent with the UK's interests, the Government's policies and priorities on intellectual property, and with the UK's existing international obligations, including the EPC.

Tariff-free exports

Tariffs will be eliminated sooner on UK exports of medicines to Vietnam compared with under the existing bilateral agreement. This could boost the UK's current £2.5 billion of pharmaceuticals and medical technologies exported to CPTPP countries in 2022.⁸

Case Study



AstraZeneca is the UK's largest innovative biopharmaceutical company, employing almost 9,000 people across the country and delivering life-changing medicines for patients around the world.

"The economic engines of growth in the 21st century are overwhelmingly concentrated in emerging markets, many of which are located in Asia. The potential for CPTPP accession to enhance the UK's trade links with these growth markets could pave the way for new enduring economic and regulatory partnerships, in turn making it easier to bring our life-changing medicines to patients."

Juliette White, VP Global SHE and Operations Sustainability, AstraZeneca

Case Study



The **Association of the British Pharmaceutical Industry** exists to make the UK the best place in the world to research, develop and use new medicines and vaccines.

"The government has rightly made sure that the UK joined the CPTPP in a way that supports innovation and is consistent with our existing international obligations such as the European Patent Convention. Intellectual property underpins everything the life sciences does and it's vital that the UK continues to pursue Free Trade Agreements that further reinforce strategically important sectors like ours."

Claire Machin, Executive Director International Policy & UK Competitiveness, Association of the British Pharmaceutical Industry

Case Study



North East-based **LightOx** is a pharmaceutical development company with lead assets in oral oncology for the treatment of early stage cancers.

"LightOx has a history of collaboration and partners in the CPTPP regions, working with manufacturers in South East Asia to produce some of our research products, and working with clinical groups in the region across our portfolio."

Dr Sam Whitehouse, CChem, FRSC, CEO, LightOx

Services & Investment



In 2022 services accounted for 43% of the UK's total trade with CPTPP, worth £49 billion.⁹ The top services exports to CPTPP were 'other business services' including subsectors such as auditing, accounting and legal services (£9.7 billion) and financial services (£6.7 billion).¹⁰

As the world's second largest services exporter, joining CPTPP will secure enhanced market access, predictability and transparency for UK service suppliers. By reducing barriers to trade in services, business services exports are expected to increase by £55 million.¹¹

More export opportunities for UK services providers

Service industries accounted for around 80% of total UK economic output in 2022.¹² CPTPP presents a significant opportunity for the UK's service industries to expand their trading relationship with CPTPP markets. It sets modern and ambitious rules to remove barriers to market access and ensure UK services and service suppliers will be treated no less favourably than local services and service suppliers as well as no less favourably than those from any other CPTPP member or any other country.

Facilitating travel for UK businesspersons to CPTPP parties

In 2021, £4 billion worth of services trade between the UK and selected CPTPP countries was delivered through the temporary movement of professionals for business purposes.¹³ The agreement will provide greater legal certainty on temporary entry routes for UK business persons conducting certain activities such as fly-in, fly-out business activities, transfers to branches or subsidiaries and supplying services as part of contracts or as self-employed entrepreneurs. This will provide important clarity for individuals and businesses across multiple sectors, including professional business services, paving the way for long-term economic growth and investment.

Encouraging investment between the UK and CPTPP countries

Inward investment stocks to the UK from CPTPP countries were worth at least £181.8 billion in 2021.¹⁴ Outward investment stocks from the UK to CPTPP countries were worth at least £117.3 billion over the same period.¹⁵ The investment chapter of the CPTPP makes it easier for UK investors to establish and operate investments within CPTPP economies by providing guarantees on the treatment they will receive when accessing and operating in CPTPP markets. This includes ensuring that they are not discriminated against relative to domestic investors.

By deepening our engagements with some of the world's largest current and future economies, CPTPP will build on our ongoing success as an international home to many of the world's most forward-thinking, ambitious businesses.

Providing legal certainty to UK service suppliers

One of the main deterrents to services trade is uncertainty over the terms of trade. Accession to CPTPP provides legal certainty to UK service suppliers by binding existing commitments, guaranteeing existing market access, and providing clarity on rules through improved regulatory transparency commitments. This gives UK businesses certainty on their terms of trade across a wide range of economic sectors. It does all this while protecting the fundamental right of the UK Government and the Devolved Administrations to make our own decisions on how to run public

services – including enabling us to protect the NHS, a fundamental principle of our trade policy.

Cutting-edge digital trade provisions that reduce barriers

Remotely delivered services exports from the UK to CPTPP were worth £23.0 billion in 2021.¹⁶ CPTPP sets modern rules for digital trade across all sectors and will support UK businesses of all sizes to seek new opportunities in CPTPP markets.

A dedicated Financial Services chapter

CPTPP includes a high standard chapter on financial services that opens up financial services markets between members through non-discrimination obligations, expanding opportunities for UK financial services and easing frictions to cross-border trade and investment. The chapter provides additional legal certainty for an industry that represented £10.9bn worth of UK services exports to CPTPP members in 2022.¹⁷

Case Study

EY is a global leader in assurance, tax, transaction and advisory services, operating in every CPTPP market.

“EY welcomes the UK’s accession to the CPTPP. This is a milestone in the UK’s aspirations to put services, business mobility and digital trade at the heart of the UK’s relationship to the Indo-Pacific region. The UK and the 11 Pacific rim nations are known for their fast-growing vibrant and innovative economies. The UK’s world leading professional and business services sector is an unrivalled ecosystem which boosts competitiveness and facilitates international trade. With the opening-up of new trade and investment opportunities, businesses need to be looking at their trade strategies now to be able to seize these opportunities and drive economic prosperity. We look forward to the CPTPP agreement entering-into-force for the UK at the earliest possible occasion.”

Sally Jones, Trade Policy and Strategy Partner, EY



Case Study

Deloitte is a leading global provider of professional services, with approximately 330,000 people in more than 150 countries and territories.

“CPTPP represents a strategic opportunity to deepen trade with the world’s high growth regions, reinforcing the UK’s standing as the world’s second largest services provider. Accession will enable British businesses to benefit from modern commitments on market access, digital trade and regulatory cooperation – and importantly, those gains are only set to continue as more countries join over subsequent years.”

James Caldecourt, Head of International Trade, Deloitte UK



Manufacturing



UK manufactured goods exported to CPTPP were worth a total of £4.6bn in 2022, with the top export being mechanical power generators, worth £3.8 billion.¹⁸ The greatest estimated export increases to CPTPP are primarily in manufacturing sectors. UK exports of manufactured goods to CPTPP could increase by over £1 billion in the long run¹⁹, with the motor vehicles sector seeing the largest increase in exports of £712 million.²⁰

Manufacturers will be able to benefit from tariff-free exports, rules of origin that allow for cumulation across all CPTPP countries and simple customs procedures.

As a result of the agreement, manufacturing sectors are estimated to grow in gross value added (GVA) by around £250 million relative to 2021 levels.²¹ Within the UK manufacturing industry, the automotive sector sees the largest increase in GVA by £183 million.²² This is due to a significant increase in UK exports of motor vehicles and parts to CPTPP countries driven by the liberalisation of both tariffs and non-tariff measures.

Tariff-free exports

Over 99% of current UK goods exports to CPTPP members will be eligible for tariff-free trade once we have joined. Removing or reducing tariffs makes it easier and less expensive to trade physical products between our countries.

The UK does not currently have a bilateral agreement with Malaysia or Brunei, so the UK joining CPTPP will offer significantly increased market access to both markets, giving businesses far better access to economies worth £330 billion and £13 billion in GDP in 2022, respectively.²³

Tariffs will be eliminated on UK exports of cars and machinery to Malaysia. UK car manufacturers will benefit from the staged removal of tariffs of 30% on UK exports of cars to Malaysia within 7 years. The UK exported £313.9 million of motor vehicles to Malaysia in 2022 in current prices²⁴, despite facing Malaysia's MFN tariff of 30%. All tariffs will eventually be eliminated on UK manufacturing exports to Malaysia, including for chemicals, plastics and metal products. All tariffs will also eventually be eliminated on UK manufacturing exports to Brunei. Tariffs will be eliminated sooner on some UK exports to Vietnam compared with under the existing bilateral agreement, including on engines. Under CPTPP, there will be no tariffs on UK exports of new electric vehicles and wind turbine towers which meet the rules of origin.

Rules of Origin

To help UK exporters access preferential tariffs, CPTPP provides a single set of rules of origin that define whether a good is 'originating'. CPTPP cumulation may make it easier for some UK exports to qualify for preferential tariff treatment than under bilateral Free Trade Agreements. This could be the case where UK manufacturers import intermediate inputs from other CPTPP countries, carry out processing, and then export finished products to CPTPP countries. For example, car manufacturers could use more Japanese or Mexican-originating car parts, count these as originating, which will help them to qualify for preferential tariffs when exporting to other CPTPP countries.

Better access to Malaysia

In addition to negotiating full access to CPTPP, the UK has agreed a side letter with Malaysia, allowing more liberal rules of origin on finished vehicles than the usual CPTPP rules. This side letter permits a vehicle to qualify as originating provided that at least 25% of its value was added in a CPTPP Party, rather than the usual 55% threshold. This will make it easier for UK manufacturers to export finished vehicles to Malaysia at lower tariffs, providing them with new growth opportunities.

Facilitating services

The UK exported £21m of manufacturing services to CPTPP countries in 2022²⁵ and accession to CPTPP will provide certainty and transparency for UK service suppliers in key UK industries and sectors. Manufacturers, including businesses in the automotive industry, can benefit from CPTPP's services provisions as services support global supply chains by helping to facilitate complex and diverse operations.



Case Study

Alexander Dennis is Britain's largest bus and coach builder and the world's leading manufacturer of double-deck buses.

"From our home market in the UK, we have consistently expanded into new markets around the globe and our double decker buses are a familiar sight in Canada, Mexico, New Zealand and Singapore, to name just some of the CPTPP parties. Trade deals like this allow us to better support our customers across the world by making it easier to choose Alexander Dennis and allowing us to provide aftermarket services like spare parts more smoothly."

Paul Davies, President and Managing Director, Alexander Dennis



Case Study

Aurrigo is a leading international provider of transport technology solutions. Aurrigo is using its developments in autonomous technology to provide more efficient and sustainable products for the aviation industry.

"Aurrigo is a leader in autonomous transport solutions. From the outset, we had a vast amount of interest in and from Singapore, Australia and Canada. For the last two years, we have had a partnership with Changi Airport delivering autonomous baggage handling solutions for one of the world's most forward-thinking airports. The market for autonomous vehicles is ever growing across CPTPP countries and Aurrigo has benefited from trade with airports, local authorities and businesses. As we look forward, CPTPP countries are full of many opportunities and we are growing our teams across the regions. CPTPP will make it possible for Aurrigo to trade with and expand in the participant countries meaning that we as a British company will be helping to lead the way in future technology."

Miles Garner, Sales Director, Aurrigo

Manufactured Consumer Goods

Removing regulatory barriers

The Technical Barriers to Trade (TBT) chapter facilitates trade by addressing non-tariff measures – specifically technical regulations, standards and conformity assessment procedures for manufactured goods. The chapter commits member states to ensure that technical regulations are non-discriminatory and restrict trade as little as possible in order to achieve their objectives.

It could save time and money for UK manufacturers, who can get their products conformity assessed by UK based conformity assessment bodies prior to export to a CPTPP country. Conformity assessment includes activities such as testing, inspection and certification.

The TBT chapter also establishes a TBT Committee, which can enhance cooperation and information exchange between CPTPP members. This can provide a route to address issues faced by UK businesses of all sizes (including SMEs) when exporting to CPTPP markets.

Simple customs procedures

CPTPP will help facilitate bilateral trade by ensuring that members' customs procedures are efficient, consistent, transparent, and predictable whilst also allowing each CPTPP member to maintain effective customs controls.

Helping businesses and consumers online through modern rules on digital

CPTPP ensures a comprehensive framework for the protection of personal data. By preventing unjustified barriers to data flows, businesses can be assured that they can take advantage of the benefits of the digital economy when trading in goods and services and consumers are not prevented from accessing new and exciting innovations that rely on data moving across borders.

The agreement also protects businesses from the unnecessary costs around storing or processing data by banning unjustified data localisation requirements. Such requirements are particularly onerous on SMEs, who can now seek new opportunities in this wide range of markets without fear of these costs being imposed.

CPTPP will also open digital markets through securing customs duty-free trade in digital content across the CPTPP bloc. It will ensure businesses are able to use electronic signatures without fearing that they will be rejected purely because they are electronic in form.



Case Study

Founded in 1886, **Joseph Cheaney & Sons** is a UK-based heritage footwear manufacturer and retailer, based in Northamptonshire – the home of English shoemaking.

"As a heritage UK footwear manufacturer we trade with most of the countries participating in the CPTPP bloc. Exporting British made goods can be complex when entering new markets so bringing a number of key trading partners together under one set of rules that lightens the burden of export will greatly improve transaction efficiencies. This in turn will help to open up more prospective opportunities within this trading group for those countries that have an appetite for British made goods and services, in our case, premium handcrafted footwear. This is exactly what Government should be doing to promote Britain as a leading global trading nation."

William Church, Joint Managing Director, Joseph Cheaney & Sons



Case Study

Founded by running legend, Dr Ron Hill, MBE, in 1970, **Ronhill Sports** exports running apparel, socks and accessories to over 30 countries worldwide, including 8 CPTPP countries.

"We trade with eight of the CPTPP countries and it is really pleasing that the UK has joined the CPTPP, as all trade agreements are positive. We sell our range of running apparel to: Canada, Malaysia, Chile, Singapore, Australia, New Zealand, Japan and Brunei, via appointed distributors. Export development is a 'key driver' for our business and we see opportunities to develop in each country. Specialising in technical, performance running apparel, socks and accessories allows us to connect with runners worldwide. A trade deal between the UK and the respective country is positive for our distributors, too."

Graham Richards, Managing Director, Ronhill Sports



Case Study

Denby Pottery designs and manufactures contemporary ceramic tableware and homewares at its Derbyshire HQ using locally sourced clay and craft skills perfected over generations.

“Denby is sold in over 30 countries around the world many of which are members of CPTPP so entry to this trading bloc will undoubtedly help accelerate Denby’s growth internationally whilst further supporting Made in England manufacturing and employment via export growth.”

Sebastian Lazell, CEO, Denby Group

Sources

¹ Estimates of impacts by nation and region of the UK are taken from Impact Assessment of the accession of the United Kingdom of Great Britain and Northern Ireland to the Comprehensive and Progressive Trans-Pacific Partnership

² DIT calculations using ONS ‘Trade in services by modes of supply: 2021’ and ONS ‘UK total trade: all countries, seasonally adjusted, October to December 2022. Note that this data is experimental, and methodology used to compile the data are subject to future improvements.

³ HMRC overseas trade statistics, April 2023

⁴ HMRC overseas trade statistics, April 2023

⁵ IMF World Economic Outlook Database, April 2023 edition

⁶ Bioscience and health technology sector statistics, June 2023

⁷ Bioscience and health technology sector statistics, June 2023

⁸ HMRC trade data, 2022

⁹ ONS, UK total trade: all countries seasonally adjusted data, October to December 2022

¹⁰ ONS, UK trade in services: service type by partner country, non-seasonally adjusted, released 27 April 2023

¹¹ Estimates of impacts by nation and region of the UK are taken from Impact Assessment of the accession of the United Kingdom of Great Britain and Northern Ireland to the Comprehensive and Progressive Trans-Pacific Partnership

¹² ONS, GDP Output Approach – low level aggregates

¹³ ONS, Imports and exports of services by country, by modes of supply, UK. Data is not available for Brunei, Peru and Vietnam

¹⁴ ONS Foreign direct investment (FDI) totals for inward and outward flows, positions and earnings, released 24th January 2023

¹⁵ ONS Foreign direct investment (FDI) totals for inward and outward flows, positions and earnings, released 24th January 2023

¹⁶ ONS Imports and exports of services by country, by modes of supply, UK, released 5 April 2023

¹⁷ ONS UK trade in services: service type by partner country, non-seasonally adjusted, released 27 April 2023. Data covers both trade in financial services and insurance and pension services

¹⁸ ONS Trade in goods: country-by-commodity exports, released 14 June 2023

¹⁹ Estimates of impacts by nation and region of the UK are taken from impact assessment of the United Kingdom of Great Britain and Northern Ireland to the Comprehensive and Progressive Trans-Pacific Partnership

²⁰ Estimates of impacts by nation and region of the UK are taken from impact assessment of the United Kingdom of Great Britain and Northern Ireland to the Comprehensive and Progressive Trans-Pacific Partnership

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²² Estimates of impacts by nation and region of the UK are taken from impact assessment of the United Kingdom of Great Britain and Northern Ireland to the Comprehensive and Progressive Trans-Pacific Partnership

²³ IMF World Economic Outlook Database, April 2023 edition

²⁴ HMRC Overseas Trade Statistics, April 2023

²⁵ ONS, UK total trade: all countries seasonally adjusted data, released 27 April 2023

Department for Business and Trade

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