



International Trade Committee

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Rt Hon Elizabeth Truss MP
Secretary of State
Department for International Trade
King Charles Street
Whitehall
London
SW1A 2AH

12 August 2019

Dear Elizabeth,

I am writing regarding the information that the Government is supplying to Parliament on the rolled-over EU Free Trade Agreements (“trade continuity agreements”), of which 12 have so far been signed.

In respect of each of these agreements, your Department is laying before Parliament an accompanying report, explaining various aspects of the agreement in question. Among the topics covered in these reports is the immediate impact (if Brexit has taken effect) of the agreement not being ratified or applied – including in relation to tariffs that would apply after Brexit in the absence of a roll-over agreement.

In the Parliamentary Reports so far published, the information on tariffs that is provided relates to the relevant post-Brexit *bound* tariffs (i.e. those listed in the UK’s schedules at the World Trade Organization as the *maximum* tariffs that would apply in the absence of a Free Trade Agreement, under the “most favoured nation” rule).

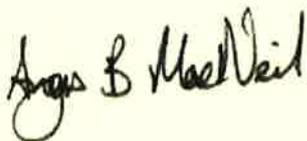
On 13 March 2019, the Government published details of its temporary tariff regime in case of a no-deal Brexit, which would involve setting *applied* tariffs (i.e. those actually put in force) at zero in respect of 87% of total UK imports by value. However, I note that the Parliamentary Reports on roll-over agreements that have been published since 13 March (regarding the agreements with the Andean Community, CARIFORUM, Norway / Iceland and the Pacific States) fail to mention that it is these *applied* tariffs that would actually be put in place after Brexit in the event of the agreements not being ratified or applied, *not* the bound tariffs.

Rigorous scrutiny of these agreements requires the laying before Parliament of all relevant information, including a full analysis of tariff-cost implications. I would, therefore, be grateful if you could explain why the Department is continuing in these Parliamentary Reports to frame its analysis in terms of bound tariff rates only; and if you could say whether future reports will take account of the planned no-deal tariff regime. If future Parliamentary Reports are to be reframed in this way, I strongly urge

the Department to also revise those reports already published to include reference to the no-deal tariff regime.

I look forward to receiving your reply in due course. In accordance with our usual practice, this letter and your response will be published on the Committee's website.

In addition, I am copying this letter to the Chairs of the European Scrutiny Committee, the Exiting the EU Committee and the Foreign Affairs Committee, as well as the Chair of the House of Lords European Union Select Committee.

A handwritten signature in black ink, reading "Angus B MacNeil". The signature is written in a cursive style with a large initial 'A'.

Angus Brendan MacNeil
Chair of the International Trade Committee

CC:

Sir William Cash MP
Rt Hon Hilary Benn MP
Tom Tugendhat MP
Lord Boswell of Aynho