

# Liz Truss kick-starts trade negotiations with Japan

The UK has today (Wednesday 13 May) published its negotiating objectives for a free trade agreement with Japan, with talks beginning shortly.

The agreement will be based on the existing EU-Japan free trade agreement and will aim to secure additional benefits for UK businesses trading with Japan.

More trade is essential in helping the UK overcome the unprecedented economic challenge posed by coronavirus.

We're optimistic that an agreement with Japan can give us security at home and opportunities abroad. It would help improve the resilience of our supply chains through diversity and opening new markets for business, bringing investment, better jobs, higher wages and lower prices, at a time when we need them most.

Manufacturers of textiles and clothing, and professional and financial services providers are among the UK industries expected to be the biggest winners of lowering trade barriers with Japan.

A deal will aim to secure cutting edge provisions on digital trade that in turn maximise trading opportunities across all sectors of the economy, building trust and stability for UK businesses, entrepreneurs and exporters.

These additional provisions, as well as strong copyright provisions, would benefit innovative sectors such as e-commerce and the creative industries. They would also make it easier for the 8,000 small and medium sized businesses exporting goods to Japan.

Government analysis published today shows that the UK economy could benefit from a £1.5 billion boost, as a UK-Japan trade deal could increase trade flows between both countries by £15.2 billion.

UK exporters would benefit from zero or lower tariffs, creating potential savings worth around £33 million per year, while UK workers' wages are expected to increase by £800 million in the long run as a result of the deal.

The agreement would benefit the whole of the United Kingdom, with Scotland, the East Midlands and London expected to benefit the most.

The first round of talks will start shortly using video conferencing, with negotiations continuing to take place remotely until it is safe to travel.

UK-Japan trade talks are also the first logical step towards our joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), helping diversify UK trade and provide opportunities in the world's fastest growing economies.

The government will set out its negotiating objectives for Australia and New

Zealand shortly with the aim of having 80 percent of total UK external trade with countries covered by free trade agreements by 2022.

International Trade Secretary, Liz Truss said:

Japan is one of our largest trading partners and a new trade deal will help to increase trade, boost investment and create more jobs following the economic challenges caused by coronavirus.

Both sides are committed to an ambitious timeline to secure a deal that goes even further than the existing agreement especially in digital and data.

Negotiations with Japan are an important step in CPTPP accession, a key UK priority, which will help us diversify our trade and grow the economy”.

The UK’s overall negotiating objectives for a UK-Japan FTA are:

- Agree an ambitious and comprehensive Free Trade Agreement (FTA) with Japan that builds on the EU-Japan Economic Partnership Agreement (EPA), and secures additional benefits for UK businesses.
- Increase UK GDP and provide new opportunities for UK businesses, including Small and Medium-sized Enterprises (SMEs) and investors, and facilitating greater choice and lower prices for UK producers and consumers.
- Increase the resilience of our supply chains and the security of our whole economy by diversifying our supply chains.
- The Government has been clear that when we are negotiating trade agreements, the National Health Service (NHS) will not be on the table. The price the NHS pays for drugs will not be on the table. The services the NHS provides will not be on the table. The NHS is not, and never will be, for sale to the private sector, whether overseas or domestic.
- Throughout the agreement, ensure high standards and protections for UK consumers and workers and build on our existing international obligations. This will include not compromising on our high environmental protection, animal welfare and food standards, and ensure both parties meet their commitments on climate change.
- Secure an agreement which works for the whole of the UK and takes appropriate consideration of the UK’s constitutional arrangements and obligations.