

Second Reading of the Trade Bill 2020

Madam Deputy Speaker, I beg to move that this Bill now be read a Second time.

1. Coronavirus is the biggest threat this country has faced in decades. All over the world we see its devastating impact.
2. We will do whatever it takes to support UK businesses to continue trading. With our network of 350 advisers around the country, and Trade Commissioners across the world.
3. The crisis highlights just how important it is to keep trade flowing and supply chains open so we can all have the essential supplies we need.
4. It is free and open trade that has ensured we have had food on our table and access to vital PPE and medication.
5. At meetings with my fellow G20 trade ministers I have continuously called for:
 6. A united, global response;
 7. Cutting tariffs on key supplies; and
 8. Reform of the World Trade Organisation.
9. While it is unfortunate that some countries have resorted to protectionism many have sought to liberalise in the face of this crisis. In particular, I have been working at the WTO with colleagues like Australia, New Zealand and Singapore, to highlight the importance of keeping trade flowing.
10. Madam Deputy Speaker, free trade and resilient supply chains will be crucial to the global economic recovery as the crisis passes. Time after time history has shown us that free trade makes us more prosperous, while protectionism only results in poverty, especially for the worst off.
11. Britain has a proud history as a global leader and advocate of free trade.
12. The bold and principled decision of Sir Robert Peel to take on the power of the wealthy producers, and repeal the Corn Laws in 1846, ushered in an unprecedented era of free trade. One that saw ordinary people in Britain

benefit from more varied and cheaper food, helping grow our cities and power forward the world's first Industrial Revolution.

13. I see a real opportunity again for industrial areas across Britain as we become an independent trading nation. By cutting tariffs, as we've already done through the UK Global Tariff, and reducing the regulatory burden on exporters our great British businesses will be able to export all over the world.
14. British steel, ceramics and textiles are some of the world's best, but all too often they are subject to unjust tariffs and unfair trade by foreign nations.
15. These industries are already looking forward to the opportunities that future trade deals will bring. The US alone imposes tariffs of up to 25% on steel, removing these would boost our domestic industries. As my Honourable Friend the Member for Scunthorpe can attest this will particularly benefit areas such as Yorkshire and the Humber, which account for more than a third of our iron and steel exports to the US.
16. Indeed, just this week, UK Steel said:
17. Our farmers and food producers can gain access to new and diverse markets. The US is the world's second largest importer of lamb, but current restrictions mean British producers are kept out. We can also grow our malting barley exports from Scotland and the East of England to Japan.
18. Digital trade will benefit from a US FTA through its cutting-edge digital provisions. Telecommunications and tech have more than doubled in the last decade. An ambitious FTA will only see exports grow.
19. While free trade provides opportunities, protectionism will harm farmers, tech-entrepreneurs, and steel manufacturers. We've already seen this before.
20. In 1930 the Smoot-Hawley Act raised US tariffs on over 20,000 imported goods. This resulted in retaliation from other nations and deepened and prolonged the depression.
21. As Reagan said in 1985: "Protectionism almost always ends up making the protected industry weaker and less able to compete against foreign imports. Instead of protectionism, we should call it destructionism. It destroys jobs, weakens our industries, harms exports, costs billions of dollars to consumers, and damages our overall economy."

22. Madam Deputy Speaker, we have a golden opportunity make sure that our recovery is export led and high value. A recovery that will see our industrial heartlands create more high quality and high paying jobs across all sectors.
23. And free trade does not only benefit us in Britain, it benefits the world. Since the end of the Cold War free trade has helped lift over a billion people out of extreme poverty. For want of a better word, free trade is good, it is humanitarian.
24. It is these benefits that underpin this Government's approach: Free and Fair Trade, Fit for the Modern World.
25. Madam Deputy Speaker, let me turn to the contents of this Bill.
26. We can only have fair trade if it is free trade. This Bill will embed market access for British companies by joining the Government Procurement Agreement as an independent member.
27. This provides businesses with continued access to the extraordinary opportunities of the global procurement market, worth some £1.3 trillion a year.
28. The GPA is an agreement between 20 parties, which mutually opens up government procurement.
29. Madam Deputy Speaker, we have already seen in the UK the way that competition, especially in services, drives up quality in the public sector while keeping prices low.
30. The GPA keeps suppliers competitive and provides them with opportunities overseas. It is a driver of growth not a threat to our economy.
31. The idea that we can, or even should, do everything domestically is not desirable or practical in this increasingly interconnected world. Instead we should be making sure that we have robust supply chains through a more diverse range of partners.
32. We will be an international champion for free and fair competition in the coming months and years. Through our discussions at the WTO, the G20, and bilaterally we will urge other countries not to heed that false, but enticing, call for protectionism.
33. Let me be clear to the House. The GPA sets out rules for how public procurements covered by the agreement are carried out. As an independent member we are free to decide what procurement is covered under the agreement. The UK's GPA coverage does not, and will not, apply to the procurement of UK

health services. Our NHS is not on the table.

34. Madam Deputy Speaker, We are also committed to continuing to trade with our existing partners that have agreements through the EU such as South Korea and Chile.
35. To date, we have signed 20 such trade agreements, representing 48 countries, while others are still under negotiation. This accounts for £110bn of UK trade in 2018, which represents 74% of continuity trade. People said we wouldn't succeed in rolling over these agreements; well they were wrong and will be signing more in the coming months.
36. This work is part of securing the Government's aim to have 80 per cent of UK trade covered by free trade agreements within the next three years.
37. Negotiations with the US and Japan on an enhanced trade agreement have already kicked off. We are also prioritising signing FTAs with Australia and New Zealand and accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).
38. With the UK Global Tariff now published there will be an increased incentive for other countries to come to the table in order to maintain or improve upon their preferential terms and conditions.
39. As I have said free trade is also humanitarian. Therefore, we will maintain preferential margins for developing countries; helping businesses lift millions out of poverty.
40. As a Government we have committed to going further than the current EU arrangements. We will look at reducing or removing tariffs where the UK doesn't produce goods and getting rid of cliff edges in current tariff schedules.
41. Madam Deputy Speaker, we face a period of unprecedented economic challenge. It is vital we don't just maintain the current global trading system but make it better. This means diversifying our supply chains and supporting those businesses that export.
42. Exports, be they software or steel, cars or ceramics, barley or beef, will underpin our recovery.
43. This Bill will ensure continued access to existing markets by letting us implement trade agreements with partner countries which previously applied under the EU.

44. It will secure continued access for UK businesses to the £1.3 trillion global public procurement market.
45. It establishes an independent body in the Trade Remedies Authority to give our great British businesses the protection they need from unfair trade practices. Trade will be fair as well as free.
46. And by adopting a cutting edge, digital first approach, we will be able to give businesses the best possible support.
47. Madam Deputy Speaker, as we recover from the economic shock of the coronavirus crisis, providing certainty and predictability in our trading arrangements will be vital to securing the interests of businesses and consumers.

*We will unleash the potential and level up every region and nation of our United Kingdom.

*I commend this Bill to the House.