

Trade Secretary secures major trade bloc milestone ahead of Asia visit

- Announcement by Japan as Chair of the UK's Accession Working Group on behalf of the CPTPP members this morning confirms UK's move into second and final phase of accession to join £8.4 trillion CPTPP free trade area
- International Trade Secretary travels to Asia to visit Indonesia, Japan & Singapore to strengthen Indo-Pacific trade ties and oversee launch of final phase of negotiations
- Trans-Pacific Partnership trade bloc contains some of the world's most dynamic economies and demonstrates the value of UK's future-facing trade strategy

The UK has today [18 February 2022] reached a major milestone to join what the International Trade Secretary has hailed 'one of the largest and most exciting free-trading clubs in the world'.

Confirmation from the Japanese government, as Chair of the UK's Accession Working Group on behalf of the CPTPP members, in the early hours of this morning means the UK has moved into the second 'market access' phase of negotiations with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a free trade area worth £8.4 trillion in GDP.

The announcement comes ahead of Anne-Marie Trevelyan's visit to Indonesia, Japan and Singapore next week to oversee the launch of the final accession stage and deepen trade ties throughout the Indo-Pacific region.

Moving to the final stage of the accession process is a key milestone towards acceding to CPTPP and means the UK has demonstrated to members of the partnership that we are a high-standards, fair trading economy.

Secretary of State for International Trade Anne-Marie Trevelyan said:

CPTPP is one of the largest and most exciting free-trading clubs in the world. Today's announcement is a major milestone for us joining this dynamic group of economies and means the finish line is in sight.

I look forward to visiting Asia next week and flying the flag for Global Britain by holding valuable trade talks with key partners across the Indo-Pacific region and pushing to secure CPTPP accession by the end of the year. This is just one aspect of our Indo-Pacific strategy, which will benefit businesses and consumers across every part of the UK and help us to level up at home.

Following today's announcement, market access negotiations will now begin in which the UK will agree new trading relationships with CPTPP countries, which

could lead to 99.9% of UK exports to CPTPP being eligible for tariff-free trade.

We will ensure that the terms are in line with the UK's broader policies and will negotiate in the national interest.

Benefits of UK accession could include:

- New guarantees of access to services markets, providing valuable opportunities for the UK's world-class services industry to increase exports to CPTPP countries.
- Ensuring UK businesses are in an even better position to expand their digital reach in the global marketplace thanks to CPTPP's modern rules for digital trade across all sectors of the economy.
- Making it easier for some UK exports to qualify for preferential tariff treatment than under bilateral free trade agreements alone and increasing demand amongst CPTPP members for imports of UK goods such as British engines. CPTPP's rules of origin means traders can more easily import goods from other members.

CPTPP membership is expected to support levelling up by benefitting every nation and region of the UK, with the greatest relative gains predicted to be in the West Midlands, Scotland and Northern Ireland. There is expected to be a £53 million boost to the Gross Value Added of Wales, £45 million for Northern Ireland and £163 million for Scotland following UK accession to CPTPP.

As made clear in our Integrated Review published last year, the Indo Pacific region is vital for the future of Britain as it is critical to Global Britain's strategic, economic and security interests. The centre of economic gravity is moving East.

Joining CPTPP puts the UK at the heart of a dynamic group of countries as the world economy increasingly centres on the Pacific region. As these economies grow, so does the benefit to the UK of being able to trade freely with them.

Accession to CPTPP will also give the UK a role in setting the standards for a liberal international trading order which is a key part of securing shared prosperity and regional stability.

CBI President Lord Karan Bilimoria said:

This marks a significant step towards the UK's ambition to join one of the largest free trade agreements in the world. Global trade is pivotal for levelling up our regions, and this deal could unlock opportunities with countries contributing more than £100 billion to

our economy. It will also give the UK a chance to play a leading role in shaping standards.

Nicola Watkinson, Managing Director, International Trade and Investment, TheCityUK, said:

This announcement is a significant milestone in the UK's journey towards joining this strategically important trade bloc and demonstrates the real momentum behind the UK's application. CPTPP member countries include some critical growth markets for the UK-based financial and related professional services industry. Membership will give UK firms greater access to business opportunities in one of the fastest growing regions in the world, benefiting the UK's overall export performance.

CPTPP membership will allow the UK to work more closely with other Pacific Rim economies as the Partnership develops, to set in train innovative approaches to regulating digital trade, fostering regulatory co-operation, and liberalising services trade.