

My speech during the debate on the Trade Bill, 20 May 2020

John Redwood (Wokingham) (Con): You do not need to pay to trade: I welcome the policy behind this legislation and the Bill itself, which makes it very clear that the United Kingdom wishes to be a positive trade partner with as many countries around the world as would like a free trade agreement with us. This Bill ensures that we can carry across the FTAs that the EU has with a range of countries that naturally fall to transit to us as well as to it.

Many of us were told that we were wrong when we argued that during the referendum and afterwards, but the Government have proved us right in that of course those countries wish to roll over those agreements. In one or two cases, they wish to go considerably further than the agreements we already have. I welcome the Government's positive response to that to see what more can be added so that we can have a better deal as we leave the European Union than we had when we were in it.□

We must see the policy background to this Bill as including the most important letter written this week by our trade negotiator to Mr Barnier about the parallel negotiations for a possible UK-EU free trade agreement.

It is an admirably lucid letter which makes it very clear that, just as in this Bill, we are not sacrificing our fish, offering special payments or agreeing to accept the laws of other countries in order to create a free trade agreement with them, and neither should we do so in the case of the European Union. We voted very clearly to leave the single market and to leave the customs union.

Many of us who voted that way strongly believed then, and believe even more so today, that we want a free trade-based agreement with the European Union if that is also its wish, but we would rather trade with it under WTO rules and the excellent new tariff we have set out for external trade if it wishes instead to claim that we need to be some kind of surrogate member taking its laws, paying its bills and accepting many of its views on matters like our fish resources.

It is more likely that we will get a free trade agreement from a reluctant European Union just before the deadline at the end of the year if we have made great progress in negotiating free trade deals elsewhere. That is why the Government are absolutely right to respond very positively to the United States of America, to Japan, to Australia, to New Zealand and to the Trans-Pacific Partnership. In each of those cases, the counter-party is very willing.

In each of those cases, there are precedents for good agreements between other parts of the world and those countries, and we can build on those and our own models for a positive free trade arrangement.

The EU will see how relatively easy it is to make such progress with those countries we have agreements with. When we were in the EU, the EU had not got round to having agreements with some of those countries—big countries such as the United States of America. When we are outside the EU, that will make the EU even keener to want to have a free trade agreement with us. Rather reluctantly, it will have to admit that it has been making a mistake over these past years in trying to make our exit so protracted and so difficult, and claiming that you do need to pay for trade.

I will vote for the Bill as vindication that, of course, many countries wish to trade with us on as free a basis as possible. I will vote for it as part of a much bigger package of a free trade loving United Kingdom driving a free trade agenda around the world.

I will vote for it because it sends a clear message to the European Union that it is negotiating in the wrong way and running the danger of ending up without a free trade agreement that is rather more in its interests than ours, given the asymmetry of our trade.

Free trade is a good way to promote prosperity. It is even more vital now we need to recover our economies from the covid-19 crisis. I urge the EU to understand that and to co-operate sensibly, just as I give the Government full support to press ahead in negotiating deals with all those great countries and regions of the world that think Britain is a hugely important future partner, and where we see fast-growing trade that can enrich both sides.

Billionaire influence?

Some people want me to publish their personal campaigns against a few named billionaires. I tell them repeatedly I will not do so. It is not the purpose or nature of this site.

Some claim these billionaires lobby governments, setting up lobbying institutes to seek attention for policies they favour. Indeed, some of them do just that. So do Trade Unions, raising millions from their members, large charities, spending a fortune on adverts and lobbying, opposition political parties, every large company that has a government affairs department and many others. All of these people and institutions use money they have earned or raised to sharpen their message and to try to influence Ministers who make decisions and to influence the officials who help them. Sometimes they want governments to do things that are self serving for them and possibly damaging to the rest of us. Ministers need to stay alert and work out who to trust.

One of the purposes of this site is to examine the quality of the decisions governments and public institutions make and the consequences of them. As an MP I am also seeking to influence government on behalf of my

constituents and in line with my and my party's view of how to proceed in the national interest. Where external lobbies are putting forward damaging or ill judged proposals then I am always willing to give a voice to the counter arguments to their theories and propositions.

I am not willing to publish personal attacks on people who believe they are working for the wider good just because one or you – or I myself – disagree with their advice. I do not have the capacity to research the truthfulness of claims made about them. Please find somewhere else in the media who do want to run with conspiracy theories if you believe you have a case. Governments do not have to follow these people – sometimes they choose to do so, presumably when they think they are right.

In support of Mr Frost's letter

Mr Frost's letter to Mr Barnier told him some home truths. Is the EU stupid or wicked in thinking that the UK wants to stay as part of the single market, and therefore needs to make concessions to do so? The UK has made it crystal clear we are leaving both the single market and the customs union. We have also made it clear we would be willing to grant the EU a Free Trade Agreement, which will help them more than us, as an act of friendship which could also be of modest benefit to us as well.

As Mr Frost asks, why is the EU apparently unwilling to offer the UK something similar to the FTAs it signed with Canada and Japan? They obviously thought those were in their interest.

I at last got a speaking slot yesterday in Parliament. I made clear there must be no UK concessions and no extension to the negotiations. Either they come round to an FTA or they do not. It's up to them. The UK will be fine either way. We do not need to pay to trade- not in money, not in fish nor by sacrificing our freedoms.

Freer trade outside the EU

Yesterday the government issued an excellent document setting out the basis on which we will trade from 1 January 2021 as an independent state and member of the WTO. We will set out own common tariff for the rest of the world which will apply unless we have a Free Trade Agreement with the counter party.

Our tariff is lower, simpler and easier than the EU one we currently have to offer to non EU countries. It takes tariffs off items we cannot grow or

produce for ourselves. It takes tariffs down to zero for products manufacturers in the UK need to help them make things here. So cotton, and various engineered tools drop to zero for example.

It takes all tariffs that are under 2% to zero to save all the admin. It takes fiddly tariffs down to the nearest whole number. It takes tariffs off energy saving, recycling and renewables. The tariff on thermostats for example disappears.

The Secretary of State for Trade confirms two crucial matters. Firstly, she makes it clear this will apply from 1 January 2021, so there are no plans for any delays to our full exit. Secondly, she confirms there will be no tariffs between Northern Ireland and the rest of the UK. The EU will not be allowed to wrestle Northern Ireland into their customs union and out of our common customs system.

Many of us MPs wanting to implement the referendum have been pressing for just such an outcome for many months.

Her Majesty's Government announces UK Global Tariff

The Government has this morning (19 May) announced the UK's new tariff regime, the UK Global Tariff, which will set out the duty charged on imports from other countries. This will replace the EU's Common External Tariff on 1 January 2021 at the end of the Transition Period, by which point we will have reached an agreement on our future relationship with the EU. The UK Global Tariff will only apply to goods from all countries with which we do not have a preferential trading relationship.

It is a simpler, easier to use and lower tariff regime than the EU's Common External Tariff (EU CET) and will be in pounds (£), not euros. It will scrap red tape and other unnecessary barriers to trade, reduce cost pressures and increase choice for consumers and back UK industries to compete on the global stage.

The government is taking a common-sense approach to our new tariff schedule by streamlining and simplifying over 7,000 tariff lines and lowering costs for businesses by reducing administrative burdens.

The UK Global Tariff will provide a baseline from which we will negotiate free trade agreements with partners around the world, giving us the leverage to negotiate the best deal for the UK, and replace the EU tariff that we currently apply.

- **The UK Global Tariff will make it easier for businesses to trade. o Our**

tariff will be in pounds – not euros. Paid in pounds, calculated in pounds, this is a stable tariff for UK traders.

- **Our tariff cuts administrative costs for businesses.** We are getting rid of needless tariffs which create administrative burdens. All tariffs below 2% are gone (e.g. fire extinguishers, school pencils and gardening tools, move from 1.7% to 0%).
- **Our tariff is simpler to use.** We will round tariffs down, making them simpler for traders to use (e.g. reading glasses move from 2.9% to 2% and alarm clocks from 4.7% to 4%). We will also scrap the EU's complex calculation for certain processed goods- which results in over 13,000 tariff variations on products like biscuits, confectionery, and spreads – applied under the EU Tariff.
- **The UK Global Tariff will back UK manufacturing and production.** UK manufacturing and production. We are dropping tariffs to zero across a wide range of products used in UK production (e.g. tools for tapping and threading metal move from 2.7% to 0%, and spanners and wrenches from 1.7% to 0%).
- **The UK Global Tariff will reduce cost pressures and increase choice for UK households.** Tariffs will be removed on products that we do not produce, or do not produce much of in the UK. Removing these tariffs will lower cost pressures for UK households and businesses (e.g. pistachios move from 1.6% to 0% and cotton yarn from 4% to 0%).
- **The UK Global Tariff will protect developing countries.** These countries will maintain tariff free access into the UK on goods such as vanilla (6%), plantains (16%) and bedlinen (12%). Whereas non-developing countries will face the UK tariff on these goods, where a trade agreement is not in place. Therefore, the UKGT maintains the continued preferential access for these countries.
- **The UK Global Tariff will promote a sustainable economy.** We are cutting tariffs on over 100 products to back renewable energy, energy efficiency, carbon capture, and the circular economy through recycling and reducing single use plastics (e.g. thermostats move from 2.1% to 0%, vacuum flasks from 6.7% to 0% and LED lamps from 3.7% to 0%).

As set out in the Protocol, Northern Ireland is a constituent nation of the UK and part of the UK's customs territory. Tariffs are not payable on goods moving within the UK. The arrangements the government will introduce will reflect this.

As we recover from the unprecedented economic challenges posed by coronavirus, the UK will champion free trade, fight protectionism and remove trade barriers.

Our new tariff is tailored to the needs of the UK economy. It will support the country, by making it easier and cheaper for businesses to import goods from overseas from 1 January 2021.

The UK Global Tariff will protect UK sectors, such as agriculture. Tariffs

will be retained for products such as lamb, beef and poultry. The Government has removed tariffs on products that cannot be produced in the UK – including approximately 150 agricultural products such as various vegetables, fruits and oils.