

Trade again

I am amazed at how many people want to talk about trade and little else. Many of them have never sold an export in their lives, have never managed complex supply chains, and clearly have not read how the WTO works.

I have led large industrial companies in the past and never experienced difficulties with importing materials and components from non EU as well as from EU countries. I found it easier to sell the final products into non EU countries than into France and Germany. I was always using a mixed complex supply chain from non EU as well as EU sources.

I also handled Minister of Trade matters in the Commons when the Minister of State for Trade was in the Lords and I was a DTI Minister. I worked closely with Peter Lilley for a bit, who was the last UK Secretary of State to help negotiate a trade round before the EU took it fully over from us.

So let me just clarify a few points.

The first is the only worthwhile discussions to be had on trade with the EU will be those the UK holds with the EU itself. It would of course be easy if both sides were willing to design a trade system for UK/EU trade which was better than WTO most favoured nation status which is what we will have without agreement. Most of this debate about trade is a negotiation with ourselves, which gets us nowhere. The EU has deliberately wasted a year and a half since the vote by refusing to discuss trade.

The second is we know exactly how to trade under mfn status at WTO because it is what we do today in a number of cases. You do not need a bespoke trade agreement with another country before you can trade!

The third is whatever happens trade will continue . There are strict limits to how much damage government including the EU government can do when there are willing buyers and sellers of each other's goods. As a WTO member the EU has to obey their rules against tariffs and barriers other than those permitted. International law and the law of contract are also there to protect buyers and sellers to provide a framework that stops governments as well as others from impeding trade.

Most now accept that outside agriculture where we have a massive deficit with the EU most products have low or no tariffs and services are tariff free under the WTO scheme. Cars at 10% are relatively high but again we have a huge deficit in cars. Non tariff barriers are also limited by law and rules. We will benefit from the Facilitation of Trade Agreement which the WTO brought in last year , and from the important WTO rule that the EU cannot impose something against UK trade that it does not also impose against US and Chinese trade as well. In certain cases like aviation you also need other agreements – e.g. reciprocal landing rights. The good news is France and Germany, and of course Spain that owns our national airline , have no wish to get their planes banned from London.