

MTRA

Manufacturing
Trade Remedies
Alliance

c/o British Ceramic Confederation
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Open letter to Liz Truss on the Trade Bill and COVID-19

28 April 2020

Rt Hon Liz Truss MP
Secretary of State
Department for International Trade
3 Whitehall Place
London SW1A 2HP

Dear Secretary of State,

The Manufacturing Trade Remedies Alliance (MTRA) is a coalition of manufacturing trade associations and trade unions. MTRA's objective is to ensure that the UK's trade policy promotes UK manufacturing through a robust and efficient trade remedies regime that prevents unfair competition.

We write to you to share our concerns that the Trade Bill does not provide adequate guarantees that the future UK trade remedies system will be effective. This is particularly critical given the current COVID-19 crisis we are facing. Global recession, over-capacity and surplus inventories following the crisis will potentially result in severe import shocks to the UK economy with dumping particularly likely from countries such as China, India, Turkey and Vietnam. It is the government's duty to ensure there are adequate and strong trade remedies in place to protect and promote manufacturing, a successful manufacturing sector is crucial to the UK's recovery from the COVID-19 pandemic.

MTRA remains concerned that the UK's trade remedies system is weaker than that found in the EU which will prevent the UK's trade remedies system from adequately protecting jobs and UK manufacturing. In particular, we are concerned about the economic interest and public interest tests, compulsory lesser duty rule, lack of ILO standards as criteria in the methodology and the fact trade unions cannot initiate investigations, unlike in the EU system. We urge you to address these shortcomings. We also believe that the TRA should make use of all possibilities in the UK legislation to use alternative methodologies in relation to China where state distortions continue to be widespread. This is the moment for the UK Government to re-assess its attitude towards UK manufacturing. We need a reset in UK trade policy to demonstrate that Government is very much more supportive of domestic manufacturing and wants supply chains and manufacturing to re-shore where possible.

MTRA believes it is important that the Trade Remedies Authority (TRA) is legally established as an independent body to ensure both robust legal procedures and independence of the TRA from government and policy influences. It is also crucial that the TRA board contains representatives from manufacturing employers and unions to ensure trade remedies that are introduced are adequate to protect industry and workers in manufacturing and connected supply chains.

MTRA is concerned, however, that the Bill currently does not guarantee such representation. We would urge you to amend the bill to ensure that the non-executive members include at least one representative of UK manufacturing interests and at least one representative from trade unions.

MTRA also believes the Bill should be more specific about what should be contained in the TRA's annual report. We would propose that the report should include:

- Number of initial discussions with potential complainants.
- Number of anti-dumping, countervailing duty and safeguard investigations initiated, and reasons why.
- Where initial discussions with complainants were not progressed to initiation, reasons should be given.
- Number of anti-dumping, countervailing duty and safeguard measures adopted – provisional and definitive.
- Sectors covered by investigations/measures.
- Proportion of cases resulting in a measure.
- Average level of duties levied.
- Time between initiation, provisional and definitive measures for each case.

The report should also include a comparison with other major trade remedy users such as the EU and US for similar products. To the extent that the above UK trends differed from the trends of other trade remedy users, the TRA should explain why there are differences. It is important for the TRA to account for any persistent divergences in any of these trends.

We look forward to hearing how you plan to ensure the UK trade remedies system is robust enough to protect manufacturing and thousands of jobs from the challenges presented by COVID-19 after suffering years of dumping and unfair trade practices by countries such as China.

We would welcome an opportunity to meet with you or your colleague Conor Burns to further explore these issues at your earliest convenience, via a webinar.

Yours sincerely

Laura Cohen MBE

Chair, Manufacturing Trade Remedies Alliance

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