



**BEST for
BRITAIN**

CHANGE MINDS → CHANGE POLITICS



**A new and
independent
UK Board of Trade**



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A new and independent UK Board of Trade

1. Introduction

THE UK'S CURRENT Board of Trade is not independent of the UK Government. It is made up of a number of advisers and Ministers, and is headed up by the Secretary of State for the Department for International Trade¹.

There are 15 advisers to the current UK Board of Trade (excluding the Secretary of State for the Department for International Trade), and seven of them are UK Government Ministers, with no representation from the devolved Governments. The UK Government announces and appoints the new advisers to the Board of Trade².

The current UK Board of Trade is expected to meet quarterly – although meetings in recent years have been sporadic³. Between 2020 and 2022, the Board of Trade produced a series of reports on specific aspects of trade – but these reports stopped being produced in 2023, and there does not seem to be any requirement for output from the Board⁴. The Board does not produce specific impact assessments on trade deals or the broader international trade landscape.

As part of its report, *Trading our Way to Prosperity: A Blueprint for Policymakers*, the UK Trade and Business Commission (UKTBC)

made a core recommendation for

the creation of a new and independent UK Board of Trade⁵. Best for Britain is secretariat to the UK Trade and Business Commission.

Adopting the UK Trade and Business Commission recommendation, The Labour Party has suggested it intends for the Board of Trade to function as an independent advisory body to the Secretary of State⁶. At a speech in Canary Wharf on 15th November 2023, Shadow Secretary of State for Business and Trade Jonathan Reynolds MP announced Labour's intention to establish the Board of Trade as an independent entity, with responsibility for horizon scanning for trading opportunities and monitoring changing regulations to assess their impacts on trade. Labour's Board of Trade would be required to report on the performance of the devolved nations and English regions to consider how trading opportunities could be improved for the whole of the UK.



This briefing explores the practical aspects of setting up an independent Board of Trade – and considers what steps need to be taken to fulfil Labour’s plans and ensure that the new, independent Board of Trade is functioning as it should.

→ Evidence:

Why we need union representation to be considered by an independent Board of Trade

TRADES UNION CONGRESS. Best for Britain received information from the TUC, who pointed out that US law¹⁴ requires trade unions to be consulted as part of trade negotiations. The TUC said that this led to the US-Mexico-Canada agreement containing the strongest enforcement mechanisms on labour rights that had ever been agreed in US trade negotiations. The TUC also notes that informal trade union involvement in trade negotiations in EU member states led to the inclusion of level playing field clauses in the TCA, requiring respect for minimum standards for workers’ rights.

2. The new and independent UK Board of Trade in practice

2.1. Role of the Board

The role of the current Board of Trade is unclear. Its weight with regards to trade policy making is also unknown. Whether the Board is consulted at all junctures in deciding on trade pathways is not something that the UK Government makes public.

Consider trade policy opportunities as they relate to industrial strategy. The Board of Trade would need to think of trade holistically – and not just consider the fabric of international agreements. Instead, the Board of Trade should monitor how the trading landscape intersects with the broader industrial landscape and how trade can form an integral part of a strong industrial strategy. Labour’s plan to place an Industrial Strategy Council on a statutory footing bodes well for the role of a new Board of Trade⁷.

Advise on regulatory matters. The UK Board of Trade should advise the UK Government on how the UK can minimise the trade barriers arising from our regulatory choices and identify areas where the UK can gain economic advantage from actively aligning or diverging from the regulations of our major markets.

→ Evidence:

Why industry experts need a forum to be heard as part of the negotiation of trade deals

BRITISH MEAT PROCESSORS ASSOCIATION. Best for Britain received evidence from the British Meat Processors Association which highlighted that quotas for beef and lamb as specified in the recent UK-Australia FTA seem to have been decided without industry consultation as the quotas fail to specify cuts of beef and lamb – which could lead to high volume imports of prime cuts, potentially severely undercutting UK producers. The BMPA says that UK operators are recording high volumes of Australian prime cuts on the UK market, which is in turn depressing profitability for UK producers. Also notable regarding the UK-Australia trade deal is the continued requirement from Australia for UK exports of pork to be heat-treated on arrival in Australia, which devalues the product compared with domestic Australian pork. The BMPA warns that we have offered Australia nearly unconditional access to the UK for its meat exports, while failing to secure the same in the opposite direction. Either a failure to consult or listen to industry may well lie behind this.

Evaluate trade policy options. The Board of Trade would assess the impact of trade policy options on various policy areas such as climate change, employment, and agriculture, to enable the UK Government to make informed decisions that align with its wider policy objectives.

Assess the cost implications of trade policy.

The Board of Trade would ensure trade costs are considered as a formal part of the regulatory process, and inform, assist and consult UK companies on trade and regulatory issues.

→ Evidence:

How industry experts can visualise upcoming cost burdens

BRITISH POULTRY COUNCIL. The British Poultry Council has expressed concerns to Best for Britain regarding the repeated delays to the implementation of the Border Target Operating Model. This model, which is being phased in throughout 2024, will see the gradual implementation of health certification and physical checks for imports of EU plant and animal products entering the UK. UK animal and plant exporters to the EU have since 2021 faced extra costs (approximately £55 million a year) associated with the health certification of products. EU exporters to the UK have not faced the same costs, skewing the promised level playing field in favour of the EU. The British Poultry Council also highlighted the significant biosecurity risk associated with failing to conduct checks on EU imports into the UK. They noted that the cost of not having fair, reciprocated checks is greater than the burdens that come with them – particularly in the absence of a Sanitary and Phytosanitary Agreement, in which those burdens and checks could be addressed, equalised, and potentially eliminated altogether.

Ultimately, the new Board of Trade should be enabled to take a very active role in trade policy making. It should be the case that all new trade policy is legally obliged to go through a channel of analysis by the Board of Trade ahead of decisions being made by a UK Government.

It should be possible to develop legislation to establish the Board as a broad consultative body and which requires Ministers of relevant departments to consult the Board ahead of making decisions which may interact with trade or international agreements.

2.2. Work of the Board

The current UK Board of Trade does not appear to proactively pursue trade matters and policy. Its most recent trade report was published in November 2022, and much has happened regarding UK trade since then⁸.

To address this glaring discrepancy in the current Board of Trade's operations, the UK Trade and Business Commission recommended that the Board should have a wide remit of work in which to engage.

Produce an annual trade report. The Board of Trade would produce a comprehensive annual trade report, modelled on the US and EU trade reports, and which assesses the UK's trade policy developments.

However, the Board of Trade should not simply analyse trade deals after the fact. Trade policy options should be analysed and impartially monitored by the Board as they are being considered by decision makers. Representatives from the Board should conduct consultations and seek evidence from businesses as trade policy choices are weighed up – and the Board should also ensure it is in discussion with relevant parliamentary committees. Cost-benefit analysis should be a key function of the Board.



Determine the impact of trade agreements.

The Board of Trade would conduct impact assessments of trade agreements to ensure they are consistent with domestic policy objectives and do not have unintended consequences. Such assessments should be evidence-based, considering the potential social, economic, and environmental impacts of the proposed trade agreements.

The overall objective of the Board with regards to the production of work should be to keep the UK Government and Government departments apprised of trade policy changes that are likely to have a direct impact on the UK domestically, while also fully participating in the analysis of trade policy that is being actively forged by UK Government decisions.

→ Evidence:

Why trade experts on the ground need a forum to feed back practical challenges

STEPHEN KELLY, MANUFACTURING NI. Stephen told Best for Britain about a technical error that had occurred in the implementation of the Windsor Framework. The requirement for pallets to be labelled 'Not for EU' creates problems because it is only concerned with pallets whereas many movements are in other forms such as cages of hand-picked items in GB based distribution hubs. Instead, each good must be individually labelled. This extra administrative burden could have been avoided with an understanding at a higher level about the full process of storing and moving goods from distribution to NI from GB. Unfortunately, the lack of knowledge as regards this fact has meant that labelling has become unnecessarily burdensome when it need not have been.

Collaborate with Government and Parliamentary committees. The Board of Trade would collaborate with relevant parliamentary committees to analyse and assess the costs and benefits of different trade policy options and provide evidence-based recommendations to the UK Government.

Conduct an annual stakeholder survey. The Board of Trade would conduct an annual survey of UK stakeholder experience of UK trade policy and provide an entry point into government for UK companies.

→ Evidence:

Why experts need channels to ensure that the evidence they provide is listened to.

INDEPENDENT SOCIETY OF MUSICIANS. The Independent Society of Musicians (ISM) shared with Best for Britain how they had taken every opportunity to inform the UK Government of the need to protect touring musicians' mobility when negotiating the post-Brexit trade agreement with the EU. In September 2020, the ISM received reassurances from Baroness Barran, then the Parliamentary Under-Secretary for DCMS, that the UK Government was progressing the issue of musicians' rights and was seeking to develop reciprocal arrangements to allow musicians to deliver their services in the EU. Despite this, the TCA made no provision for the mobility of musicians, with the UK Government rejecting the EU's offer of a reciprocal arrangement for touring musicians, arguing that this would be incompatible with its wider border strategy. Since then, the ISM and the wider music industry have continued to lobby the UK Government on this issue, but to little effect. After obtaining legal advice from a QC specialising in EU law regarding an EU-UK visa waiver agreement (VWA) for touring musicians, the ISM found that representatives from the Home Office, DCMS and the Cabinet Office were reluctant to proceed with such an agreement for 'political reasons', despite admitting its legal foundations and workability.

2.3. Membership

The current membership of the UK Board of Trade is limited. This means that the UK does not have centralised consultation mechanisms by which a wide variety of stakeholders can input their expertise on trade policy development.

This leaves the UK on the back foot, particularly when compared to other countries including Sweden and the USA, which is increasingly adopting a worker-centric approach to trade policy. The Biden administration has laid out a trade policy to 'protect and empower workers, drive wage growth, and lead to better economic outcomes for all Americans'⁹, and it has committed to monitoring all trade policy in order to examine its impact on workers. The UK also currently has no official channels whereby unions or consumer groups can take part in formulating trade policy.

The Board of Trade board would consist of board members, including representatives from major UK business organisations, trade unions, devolved governments, SMEs, and senior experts in trade and regulations¹⁰.

Expertise should be broad in nature – while policy experts are of course vital to a new Board of Trade, subject matter specialists – such as scientists and arts sector academics – should be represented, as they will ensure that the sometimes less touted collaborative benefits from international agreements are considered.

The composition of temporary members would be tailored to the nature of any trade deals under negotiation. By including a diverse range of stakeholders and experts, the UK Board of Trade can ensure that trade policy is informed by a broad spectrum of perspectives and expertise, leading to better outcomes for the UK.

→ Evidence:

Why civil society concerns need an appropriate forum for scrutiny and action

SUSTAIN. The sustainable farming alliance Sustain submitted concerns to the Trade and Agriculture Commission (TAC) and to the Food Standards Agency regarding the UK-Australia FTA and the effect it could have on food standards. The TAC's analysis of the FTA concluded that it would likely expose UK consumers to types of pesticides, and pesticide residue levels permitted by the Australian regime – which are less stringent than the UK's controls on pesticides; and also raised concerns about Australian farm animal welfare standards and farm antibiotic use. However, because the Agriculture Act imposes a limited threshold for reporting human or environmental health challenges to Parliament as part of trade deals, and because the UK Government has weak requirements for parliamentary scrutiny on FTAs, the UK Government ultimately was able to lay before Parliament a statement suggesting that a UK-Australia FTA would not create new permissions for imports from Australia – despite this contradicting TAC findings.

Temporary experts should be brought on board to deal with specialist issues and challenges – and the Board should aim to open frequent consultation processes in order to hear from a wider range of perspectives.

A diversity in the Board's membership can be a constructive way to solve challenges. As Michael Gasiorek told an evidence session of the UK Trade and Business Commission on frameworks for trade (09/02/2023), trade policy is always a question of 'trade-offs'¹¹. By having a broad and diverse representation on the Board of Trade, informed and representative consensus can be developed while ensuring that a range of sectors are informed about why trade policy choices were needed.



By opening up the Board of Trade as a consultative forum, this will mean that future trade policy trade-offs can be mutually agreed and decided upon in consultation with all those who they affect.

2.4. Long-term aims

The current lack of independence from the UK Government of the existing Board of Trade warrants concern about the long-term thinking of the Board.

An independent Board of Trade would be more likely to operate unhindered by electoral cycles; excessive UK Government representation on the Board may mean that the Board's work becomes overly conflated with electoral strategies.

→ Evidence:

Why stakeholders need a formal structure for consultation throughout the development of trade negotiations.

WORLD WILDLIFE FUND. The World Wildlife Fund spoke to Best for Britain of their concerns about a lack of formal infrastructure for consulting civil society on trade deals. They noted that they previously submitted evidence about each trade negotiation to the International Trade Committee in the House of Commons. When this was disbanded, the substitute Business and Trade Committee took over its functions – but in actuality has far less capacity to cope with the same process of review, consultation and analysis. They noted that the only point in trade negotiations where public consultation takes place is at the very start – before a negotiating mandate has been set out. This means that it is very difficult for stakeholders to accurately respond to the consultation process. They noted that food businesses' calls for core environmental standards within UK trade policy have not been heeded – and they highlighted that a lack of structure to involve different stakeholders' voices is perhaps a significant reason behind this.

The new Board of Trade should be implemented with longer-term policy goals in mind. The Board of Trade must not introduce more bureaucracy into the trade policy-making process than the UK can resource; its ultimate function should be efficiency.

The Board of Trade cannot simply replicate the trade policy expertise that came from being a part of the EU – that would not likely be possible, and nor should it have to be necessary, especially if the UK does start to follow a general policy of beneficial regulatory alignment with the EU, as outlined in the UK Trade and Business Commission's latest report¹².

Ultimately, the new UK Board of Trade needs to have the independence from Government that will allow it to monitor trade and drive trade policy goals in such a way that will survive changes of UK Governments. Governments do not necessarily prioritise longevity when making policy decisions – this is the nature of four to five year terms between elections. So it should therefore be the role of the new Board of Trade to think beyond the terms of Government and consider trade strategy in the round and in the long term.

The new Board of Trade should also be focusing on broader goals beyond trade. As the UK Trade and Business Commission has noted in its recent report¹³, the UK's trade strategy should not be divorced from broader industrial strategy – and considerations such as how trade is affected by public investment, business taxes and other domestic economic manoeuvres should also be factored into how the Board operates.

The Board will need to monitor these considerations and also provide strategic recommendations with regards to how trade policy ought to be leveraged in order to maximise domestic economic and social benefit.

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