

UK-US Trade and Investment Working Group – high level read-out

The sixth meeting of the UK-U.S. Trade and Investment Working Group (TIWG) was held in London on 10-11 July, following the fourth UK-U.S. SME Dialogue in Bristol on 9 July themed around emerging technology.

‘Finishing the first lap’

The TIWG involved 12 chapter-level discussions (see Annex for details), including topics such as procurement and disputes which the U.S. had resisted to date. It means that we have now had at least preliminary discussions across all the major policy areas that we might expect to feature in a UK-U.S. FTA. As I said in the closing plenary, we have completed the first lap (the US delegation said privately that they feel we are at a point they would expect to reach one year into a formal negotiation).

This was the first TIWG since we signed the trade Continuity Agreements. Both sides recognised the achievement of having all relevant trade related agreements in place to ensure continuity when we leave EU. These include MRAs (covering sectors worth £12.8 billion of trade) and the Organics, Wine and Spirits agreements – the latter celebrated at a Scotch Whisky Association-hosted reception following the working group. We noted the commercial importance of remaining agreements being progressed in the parallel Economic Working Group – notably the Customs Agreement and Privacy Shield.

Most sessions focused on preparing the ground for a future FTA. In areas where conversations are already well advanced (such as agriculture, services, intellectual property and SMEs), discussions explored the US negotiating objectives and drilled further into potentially useful textual precedents in USMCA and CPTPP. Alongside procurement and disputes, we held first discussions on trade remedies and set out UK priorities on Sustainability (including anti-corruption and gender) and Trade for Development. There are two final sessions of the working group to follow next week on Industrial Subsidies and Financial Services.

We continue to look for short term outcomes where we can demonstrate progress ahead of an FTA. The SME Dialogue – which received very positive feedback from the businesses that attended – continues to be the most visible of these. We agreed to publish a joint UK-U.S. economic report on intellectual property in the autumn and identified potential opportunities for collaboration on marine plastics (on which USTR Lighthizer placed personal emphasis in recent Congressional hearings). More broadly we registered concern over recent developments in the Airbus-Boeing case and our support for a negotiated settlement.

Preparing for a change of gear

The USTR team is keen to move into the formal phase of negotiations. Ahead of the publication of UK negotiating objectives, there now little that we will be able to achieve in further pre-negotiation engagement. USTR officials noted continued pressure from their political leadership to pursue an FTA and a desire to be fully prepared for the launch of negotiations after the end of October. They envisage a high cadence negotiation – with rounds every 6 weeks – but it was interesting that my opposite number thought that there

would remain a political and resource commitment to a UK negotiation even if it were thought that the chances of completing negotiations in a Trump first term were low. He felt that being able to point to advanced negotiations with the UK was viewed as having political advantages for the President going in to the 2020 elections. USTR were also clear that the UK-EU situation would be determinative: there would be all to play for in a No Deal situation but UK commitment to the Customs Union and Single Market would make a UK-U.S. FTA a non-starter. We will play the sequencing of the next full working group by ear but have agreed a work programme for the next two months for coordination teams to take forward discussions on structure, sequencing and ways of working.

Communications

We are set to issue a joint public statement summarising the meetings. In the margins of the TIWG I participated in two stakeholder roundtables hosted by City of London Corporation and BritishAmerican Business, with common themes around the future public communications battle, the importance of ambition and the strong base from which we start. Meetings took place against the media backdrop of Kim Darroch's resignation and a *Daily Telegraph* story on the – allegedly poor – status of preparations for a UK-U.S. FTA sourced from a separate leak of documents. The timing and scale of this week's discussions (with participation from over 150 officials from the two sides) meant DIT was well placed to rebut the *Telegraph* story strongly - and the USTR team was robust with UK stakeholders on the state of talks.

Oliver Griffiths
12 July 2019

Annex – UK/U.S Trade and Investment Working Group 6**Agenda**

Wednesday 10 July	
3 Whitehall Place, London SW1A 2AW	
12:00 – 13:00	Lunch (Ground floor Business Lounge)
13:00 – 14:30	Plenary (Room LG05+06)
14:30 – 17:30	Legal Group (Room 3G3) SMEs (Room 3G5) Intellectual Property (Room 3G8)

Thursday 11 July	
3 Whitehall Place, London SW1A 2AW	
09:00 – 09:30	UK delegation Pre-brief (Room 3G8)
09:30 – 12:30	Services (Room 3G5) Coordination Group (Room 3G8)
12:30 – 14:30	Lunch (Ground floor Business Lounge)
14:30 – 17:00	UK: Sustainability/ US: Labor, Environment, Anti-corruption (Room 3G5) Economic Group (Room 3G8) Agriculture (Room LG05)
17:00 – 18:00	Closing Plenary (Room 3G2)
18:00 onwards	Scotch Whisky Association Drinks Reception (Dover House, 70 Whitehall, Westminster, London SW1A 2AU)

Working Group sessions happening separately (but to be included in the press release and formal record of the Working Group)

- **Procurement** session on 26th June in Geneva
- **Trade Remedies** session on 27th June
- **Industrial Subsidies** on 17th July in London

- **Financial Services** on 17th July in Geneva