

## CPTPP Speech – 21.11.23

### LORD HOWELL ON THE COMPREHENSIVE AND PROGRESSIVE TRANS-PACIFIC TREATY AND UK MEMBERSHIP

CPTPP BILL 2<sup>nd</sup> Reading Lord Howell

ML I regard the Treaty, whose legislative requirements to enable entry we are now discussing as a step in a strategic step of the first importance for our nation.

There are many more steps to be taken in the same direction, but this is one which some of us have been urging the UK to move towards for at least a decade.

Ministers are quite right to depict membership of the CPTPP as a gateway to high growth Asian markets and as all part of our 'Indo-Pacific' tilt policy.

I know that the calculated immediate trade gains look small, but that is because we already have trade Agreements with most of the members of the group and the gains here will build on top of those existing flows. And the CPTPP is anyway about far more than further increasing our volumes of conventional trade with the other member nations.

Behind trade deals lie several major new realities about the nature and pattern of trade and exchange in the 21<sup>st</sup> century which many people still seem reluctant to face.

The first is that over the next thirty years most of the growth of consumer markets and investment will be in the Asian region. We are looking at something here which is already almost as big as the EU single market, and at constructs ahead, like the RCEP (Regional Comprehensive Economic Programme), which are already larger.

The second is that Trade flows and investment of all kinds, direct and financial (both ways) are welded together, each promoting the other.

Th third is that half of what we broadly call trade, and which conjures up visions of thousands of containers on giant cargo carriers, is now in fact trade in knowledge products, services, data and technology innovations. Every installed machine is also a vast packet of high-tech procedures, personnel and supporting consultancy.

Third, Japan has been of enormous assistance to us on the pathway to membership – and our growing ties on many industrial and technological fronts

with Japan, including the enormous Tempest combat aircraft project – are another parallel story, maybe for another day but hugely important for our future. People forget that Japan is still the world's third largest industrial power, and in terms of underlying stability and conditions favourable to competitive enterprise, in fact way ahead of its vast Chinese neighbour, and we should stick to Japan like glue on every front, security included.

Fourth, it is worth noting that when we join the CPTPP more than half its membership will be members of the Commonwealth network.

People may say what has that got to do with trade? The answer is a very great deal. Not only are matters settled as often informally and in the coffee break over formal transcripts round the negotiating table. The whole trade and investment process works much the best within a broader context of unifying forces and activities, ranging from cultural and artistic links, to education at all levels, to scientific research, to constantly shared new thinking in many fields, to professionalism of all sorts.

It so happens that the binding values which hold the Commonwealth network together, and indeed cause it to grow and attract new members, as now, are just the ones which are growing in significance in the digital age of hyper-connectivity -binding links not just between officialdom and governments (who may often be at odds with each other, but at every level of society and interest.

They are such things as the rule of law, free speech and press, independent judiciary, free elections, proper concern for human rights, adherence to international norms and standards – all now becoming part of the survival kits for the planet's army of independent nations.

They are the many states of the globe who have been christened the neo-non-aligned-nations and they are the ones, many of them eager and young, and vulnerable, to whom we as an old country must stay close and through whose eyes we must strive to see the world.

This, and the reference to Japan, brings me to my final point today, although there is much work to do ahead.

As we enter a new era of relationships with both old and new friends and allies, there are very important lessons to learn from our highly successful embrace of Japanese investment and industry in the last century.

Japanese inward investment transformed our motor industry and electronics industry, brought employment to old areas, such as the Welsh valleys, dispensed with

trade union restrictive practices which were stragling our economy , and raised productivity

But our success was because we did not just regard it all as a matter of business and trade. We built the most elaborate and close links with Japan across a wide range of activities and friendships. The group which Margaret Thatcher and the Japanese PM Yasuhiro Nakasone set up at the very highest level of politics and business, the UK-Japan 2000 Group, was an essential part of building the relationship to levels of intimacy and common outlook which made everything go very smoothly. Numerous other key groups, both technical and cultural, also thickened and reinforced the relationship.

Today, the CPTPP needs similar underpinnings of support activity and connection if it is to flourish. I hope that is understood in Whitehall and in Downing , and that the steps are even now being taken to bring the right groupings between Japan and the UK , with the right focus, into being .