



# Competere

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May 2024 No.10

## Top stories in our quarterly newsletter



US – Trade Talks Stall



UK– CTPPP Update



TFC Launched



Commission Update

## Global WTO - Still Dysfunctional



The 13<sup>th</sup> Ministerial Conference of the WTO met in Abu Dhabi at the end of Feb. and beginning of March. As has become common for these WTO meetings, one can learn more from what was not achieved than what was. In particular the failure to agree an extension of the moratorium on tariffs for e-commerce illustrates the dysfunction in the organisation. That something so basic should meet with opposition illustrates the level to which the WTO has fallen as a mechanism to promote open trade. There was an agreement that members should not bring so-called NVNI (non-violation nullification and impairment) claims under the TRIPS agreement. There was no further advancement on the steady encroachment of intellectual property rights begun under the TRIPS waiver and continued in the decisions on Covid vaccines. Previously only the UK argued that pharmaceutical patent protection should not be further eroded through increasing the scope of the TRIPS waiver. We anticipate that this issue will continue to be debated in the WTO, and given the relatively new position of the US on technology and patent issues, it is unlikely to oppose some of the calls for compulsory licensing to be extended in this area. There has also been very little progress on the Appellate Body issues. While a facilitator has now been appointed, it is unlikely there will be any progress on this issue until the underlying concerns of the US – the way “public body” is defined and interpreted in WTO jurisprudence – are somehow addressed. Here as in many areas of international trade, all roads lead to China.

Final Note: Increasingly in this multipolar world, it is important to look at the trade arrangements of BRICs countries, and others, such as the [recently announced Serbia-China deal](#) and the [Iran-Russia/Belarus/Kazakhstan agreement](#).

## Competere Foundation Launched - Website Now Live

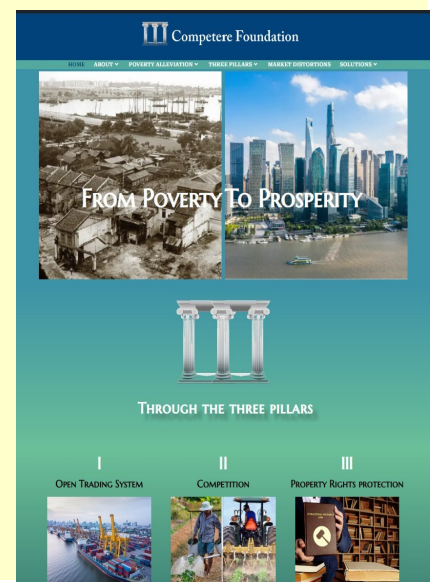
Our motivation is the alleviation of poverty.

The Foundation hopes to put in focus how the success of the liberal trade model enacted globally since World War II can be extended to the poor areas of the world which have been left out. Competition, both domestic and foreign, open trade and property rights protections are the three pillars of economic development, which if better understood, could lead to a more prosperous world for all.

The mission of maintaining and extending this liberal model of globalization, however, is being challenged by the growth of protectionism largely in a legitimate response to China’s unfair trade practices. But does this put us in danger of “throwing the baby out with the bath water”?

How do we balance the approach of consumer welfare, maintaining competition and innovation, and extend wealth creation to poor countries under these challenging conditions? Read our website to find out!

Visit [www.competerefoundation.org](http://www.competerefoundation.org)



## U.S. Little Trade Discussion Immediately Ahead

The US administration continues to pursue its worker centered trade policy, although it remains unclear why developing countries in Asia and Latin American would sign up to Biden administration labour and environmental provisions with no market access into the US market on offer. The US appears still to be out of the FTA game and has also made some very significant policy statements recently. First, USTR has noted that many technical barriers to trade that involve domestic regulation are matters of domestic policy choice by countries and so USTR would be removing these from the National Trade Estimate, its annual publication of foreign country trade barriers. Global business looking to understand the market access and domestic competition barriers in their markets will lose what was a very useful resource and will instead rely on tools like the European Trade Barrier Regulation and reports thereunder. But the US position was most significant in the approach to barriers to data flow which has long been a bedrock principle of US trade policy. No longer will the US challenge domestic rules like data localization and other restrictions on data flow. This is a very significant departure from normal practice and US business has already started complaining about it, most especially the US Chamber of Commerce.



In default of much liberalisation on offer at the federal level, US trading partners, led by the UK have switched their attention to the States, securing state level MOUs. Recently, Governor Stitt (left) of Oklahoma talked to the Council on Foreign Relations about the UK-Oklahoma MOU, and that similar MOUs were being discussed with other countries. Since much regulation and government procurement is at state level, significant liberalisation can be agreed by sovereigns and US states. While sub-optimal (there is no dispute settlement attached to any of these MOUs), it is better than no liberalisation at all. Indeed, the US seems to be moving towards greater levels of distortion (Inflation Reduction Act), not less.

## UK Trade Policy Improvement Potential

The UK is moving towards a formal ratification of its CPTPP membership between the summer and autumn of 2024, just prior to the likely date for a UK election. This will be a hugely significant moment for the UK (and indeed for the CPTPP countries) as I noted in my testimony to the Business and Trade Committee of the UK parliament on [ ] of [ ] (see link). It is highly likely that the UK will not be the last non-Pacific country to join the CPTPP as countries recognise that in liberalisation terms it is the only game in town. While the WTO is stalled, and the US seems temporarily out of the trade liberalisation game, the global trade centre of gravity will move towards CPTPP, and USMCA. Meanwhile the EU demonstrates further regulatory overreach in areas like patent protection, data and competition policy. The UK will simultaneously seek to negotiate a better agreement with the EU regardless of who forms the next government. This is certainly possible given the gaps in the areas of services, and mutual recognition where the UK-EU TCA could be further developed. There are also possibilities to build on the Customs Facilitation chapter with more customs process facilitations included digital trade corridors, trusted trader schemes and possible accession of the UK to the PEM convention.



The UK is in the middle of deciding its approach to carbon leakage, where countries who do not have similar climate change protections can produce products with carbon intensive production methods that then compete against products produced with lower carbon emissions. The UK version of the European Carbon Border Adjustment Mechanism could have significant costs for the UK economy and also implications for international trade. The Growth Commission ([see press release](#)) will be commenting on UK proposals in June, and GC Commissioner and Competere Advisory Council member, Christine McDaniel has said *“Our research on the carbon border adjustment mechanism (CBAM) examines the economic implications of different policy tools to address countries’ different emission intensities. Our preliminary work suggests that a blanket tariff will do more harm than good, and simply increase the costs to businesses and consumers and dampen GDP per capita without targeting the emissions issue. A more targeted mechanism would likely have less damaging economic effects.”*

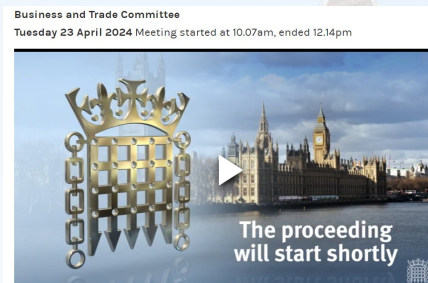
## Parliamentary Hearing



### Singham Testifies before Business and Trade Committee on UK Export- Led Growth

On April 23, the House of Commons' Business and Trade Committee, held a hearing concerning strategy for improving export-led growth, examining the impact of Brexit, the UK joining the CPTPP, the potential impact of Carbon Border Adjustment Mechanisms (CBAM), and more. The experts testifying at the hearing were The Rt Hon. Lord Frost of Allenton CMG; David Henig, Director, UK Trade Policy Project, European Centre for International Political Economy; Shanker Singham, CEO and Chair, Competere.

To the right, you will find links to the entire hearing (Click on image), and below the transcript, and a series of clips which highlight Shanker Singham's Testimony on the key issues.



#### [Hearing Transcript](#)

#### Singham Addresses Alternatives to the EU's CBAM at Business and Trade Committee Hearing



#### Singham Announces New Trade Facilitation Commission During Business and Trade Committee



#### Singham Addresses Overall UK Trade Strategy at Business and Trade Committee Hearing



## New Report Issued by IFT

### "Improving the UK-Morocco Relationship - Unlocking Untapped Potential"

27 Feb 2024- [Morocco Gate News Service](#) - The "Institute for Free Trade", a London-based research foundation, delivered a report to the British House of Lords on February 26th, highlighting potential development avenues between the #UnitedKingdom and #Morocco. According to @ShankerASingham, the report's author, Morocco presents significant investment prospects, particularly in photovoltaics, hydrogen, and automotive industries, owing to its advantageous logistical position.

Moreover, Singham underscored the importance of King Mohammed VI's Initiative, aimed at facilitating Atlantic Ocean access for Sahel nations, as a cornerstone of Morocco's African engagement strategy, emphasizing cooperation and mutually beneficial partnerships within the South-South framework. ([Read the full report here.](#))



### February 28, 2024: Lord Johnson Launches New Report on Morocco

On February 28, 2024, Lord Johnson, the Minister of State (Investment) for the UK's Department of Trade, introduced the newly released report issued by the Institute for Free Trade entitled "Improving the UK-Morocco Relationship - Unlocking Untapped Potential". The report was written by Shanker Singham.

[Watch the video here.](#)

Sample News Coverage: [British Think Tank Outlines Importance of UK-Morocco Cooperation](#) Morocco World News 29 Feb; [Morocco –UK Relations: Untapped potential highlighted in British Parliament](#) Medeas24 5March



## News and Commentary

30 September: Red tape has cost Britain £143 billion since 2015 – the time for action is now Telegraph. [Read article.](#)

1 October: Reports reveal growing morass of anti-competitive regulation skewing the market, with dire results. [Watch video.](#)

1 January- The EU has given up on growth – and could soon self-destruct. Telegraph [Read Article.](#)

22 January- Shanker Singham on Jacob Rees-Mogg's show “State of the Nation” discussing recent steel layoffs. [Watch Video.](#)

**Mentions:** 29 February- [UK government offers positive verdict on Malaysian deforestation standards for palm](#) Confectionary Production

2 February- [EFRA Committee to scrutinise the UK’s Free Trade Agreements, ongoing FTA negotiations, and recent accession to the CPTPP](#) UK Parliament Website

1 February-[London Playbook PM: It \\*is\\* cricket for Labour and business](#) Politico EU

## Other events we participated in

21 February – Chamber Customs event: Navigating Customs Changes, The Windsor Framework Updated

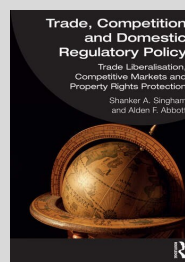
Chamber Customs, a British Chamber of Commerce Company, held this event to inform its members of recent changes, timelines and the implications for traders. [Watch video here.](#)



## Book Corner

On March 29, 2023, “**Trade, Competition and Domestic Regulatory Policy: Trade Liberalisation, Competitive Markets and Property Rights Protection**”, by Shanker Singham and Alden Abbott, was published by Routledge Press.

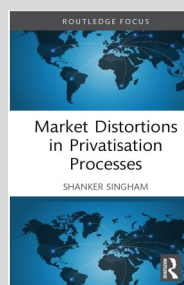
Anti-Trust Expert Deb Garza published said the following about the book in her [review in Concurrences](#): “*On the whole, this book offers a comprehensive, thoughtful, integrated treatment of the interrelationship of trade, competition law and intellectual property policy and market distortions that can occur across the three areas. It is an important read for anyone contemplating the challenging issues of trade and economic security in an increasingly complicated and volatile world.*”



Purchase this book by clicking on the image to the left, or scan the QR code.

Drawing on a range of global case studies, “**Market Distortions in Privatisation Processes**” illustrates the ways in which market distortions damaged the ability of privatisation processes to yield concrete benefits to consumers.

*The book compares and contrasts privatisations of state-owned enterprises around the world where competition informed the regulatory design and thus liberated consumer welfare. In particular, the cases are drawn from the electricity and gas sector, the telecoms industry, and postal services – each of which has been frequently privatised in different context. For each industry, the book explores the UK and US experiences as well as looking at international cases from both developed and developing countries including, where appropriate, Japan, Colombia, Romania and Mexico. The emphasis is on analysing the impact that market distortions have had on the outcomes of those privatisations.*



Purchase this book by clicking on the image to the left, or scan the QR code.



## Trade Facilitation Commission Launches Initiative to Boost UK Exports and Foster Economic Growth

LONDON, April 19, 2024 /PRNewswire/ -- Some 30,000 UK companies who exported goods in 2021 do not do so today. The Trade Facilitation Commission (TFC) has been established to bolster UK small and medium-sized enterprise (SME) global trade activity, addressing the current challenges where less than 10% of UK SMEs engage in goods exports, a third of GB importers are unsure of their customs duty payments and nearly half have experienced delays at the port... [Read Full Press Release Here.](#)

*The Trade Facilitation Commission (TFC) is dedicated to promoting trade facilitation and supporting SMEs in the UK. With a focus on reducing trade barriers, enhancing competitiveness, and fostering economic growth, the TFC works closely with stakeholders to streamline trade processes and empower businesses to seize global opportunities. Through advocacy, policy initiatives, and capacity-building efforts, the Commission aims to create an enabling environment for trade and drive sustainable development across the UK.*

For more information, [visit https://www.facilitation.trade/](https://www.facilitation.trade/).

### About the Commissioners

**LORD AGNEW** - CHAIRMAN - Former Minister of State at the Cabinet Office (2020-2022) responsible for border readiness related to UK's exit from the European Union.

**ROBERT HARDY** – CO VICE CHAIRMAN-Founder and CEO of the EORI Group of companies, specialising in simplified customs processes. AIBF UK-Irish Business Person of the Year 2023.

**SHANKER SINGHAM** – CO VICE CHAIRMAN-One of the World's leading experts on international trade, competition and regulatory reform. Co-Chair of the Growth Commission.

**LARS KARLSSON** - Global Head of Trade and Customs at Maersk. Former Director of World Customs Organisation and Director General of Swedish customs.

**TONY SMITH CBE** - Former Director General of UK Border Force and Director of Borders Canada. Awarded a CBE for vital role in delivering 2012 London Olympics. Chairman of IBMATA (Int Border Management and Technologies Association)

**KEVIN FRANKLIN** -Former Director of Customs Transformation at HMRC. Associate of the Cabinet Office infrastructure and projects authority.

**FRANK DUNSMUIR** - Leads the Digital Transformation team at IOE&IT, projects include Kenyan Single Trade Window, UK EcoSystem of Trust, Freeports as well as projects working with Europort in the Netherlands

**KEVIN SHAKESPEARE** - Director of Strategic Projects and International Development at IOE&IT (Institute of Export and International Trade). Dean of the UK Customs Academy.

**CHRIS SALMON**- Former senior advisor to Michael Gove MP on Brexit Border Readiness. Co-Founder of clearBorder a firm specialising in trade training.

# THE GROWTH COMMISSION

**From Shanker Singham-** *The Growth Commission*, which I co-chair, developed a response to the UK budget, suggesting an alternative Growth Budget in February. The GC's micro model is based on the Anti-Competitive Market Distortion model developed originally by Singham, Rangan and Bradley and is not in its SRB-y stage. We are grateful to the collaboration of the University of Buckingham, Cebr, and Christine McDaniel and Thomas Stratmann of the Mercatus Center at George Mason University for further iterations of the model. We are now able to say with a high degree of confidence that improvements across the dimensions of open trade, domestic competition, and property rights protection lead to specific and quantifiable GDP per capita impacts. In the UK, for example, a 15% improvement in its pillar score in the domestic competition pillar leads to a 13.3% GDP per capita increase. [Read alternative Spring Budget report here.](#)

## Recent Coverage of Growth Commission

[Slashing migration 'will net everyone £1,100 a year'](#) Telegraph 25 February

[Can Jeremy Hunt actually afford to cut taxes?](#) | The Spectator Australia 28 February

[Growth Commission's Spring Budget: Rein in Government Spending](#) - Guido Fawkes 28 February

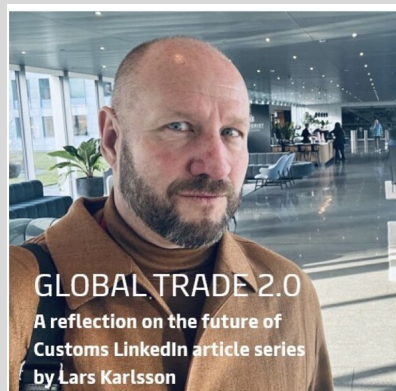
[Slashing net migration would 'leave Britons more than £1100 a year better off'](#), - Daily Mail 27 February

[Abolishing inheritance tax would boost workforce by 300,000, say Truss-backed economists](#) Yahoo News 26 February

['Fix mortgage rates for 30 years!' Growth Commission expert calls for change in options](#) GB News 6 March

[UK tax levels 'way out of kilter from rest of Europe' Growth Commission adviser blasts 'won't get pensioners](#)

## Special Note



From Shanker Singham - My colleague on the Trade Facilitation Commission, Lars Karlsson has just written a very important piece of trade corridors and special zones, hinting at global neural networks for trade working in smarter ways. [Read the article here.](#)