



LABOUR'S ROADMAP FOR GREEN TRADE

This briefing, curated for Labour Party MPs and those interested in the development of Labour policy, explains why the UK needs a published, overarching green trade policy, and how it would be beneficial for the Labour Party to create one of its own.

KEY POINTS

- The government has not published a trade policy. This puts the UK at risk of signing up to trade agreements which are inconsistent with important British standards, such as environmental, farming, and labour protections.
- WWF believes international trade can be a force for good. An overarching trade policy would help guarantee this by setting out a framework that would apply to all trade agreements and underlying legislation, ensuring that they are consistent with the UK's existing policies on agriculture, industry, international development, etc.
- Instead of setting our standards high, standing up for British values and strengthening our international standing, we are at risk of engaging in a race to the bottom with every trade deal we make.
- There are widespread calls for the publication of a trade policy from parliamentarians, businesses, environmental organisations, and consumer rights groups.
- A published trade policy should set out a vision on how the UK will use trade policy to facilitate protections for nature and climate, the SDGs, and human rights around the world.
- It should facilitate markets that lead to a green and fair transition. It should do this via the development of core environmental standards, coupled with support for developing countries to meet and prove compliance with such standards.

WHY HAVE A PUBLISHED TRADE POLICY?

The UK has an exciting opportunity to pursue an entirely new, independent trade agenda. Yet the lack of a published trade policy means the UK's approach to trade is unclear, being established on a piecemeal deal-by-deal basis. As such, businesses lack clarity on the government's overall plan for its trade policy and do not have sufficient confidence in how it will be integrated with other areas of policy. The [International Chamber of Commerce](#) (ICC), for example, has called for a framework to ensure joined up strategy on trade, climate change, and industrial growth.





There are extensive calls to correct this. In June 2021, a group of stakeholders, including the NFU the TUC, and the ICC wrote to the then [secretary of state](#) asking that DIT publish a trade policy. In December 2021, the National Audit Office [recommended](#) that DIT bring together its trade strategy into one place to outline how trade policy supports wider policy objectives. It has also been raised as a recommendation in several Select Committee reports ([ITC](#), [IAC](#)). There is widespread demand across industry and civil society for a trade policy. Labour can and should capitalise on this demand, highlighting the significant gaps in the current government's approach to trade by publishing its own trade policy.

There is precedent for a UK trade policy: a DIT White Paper was [published in 2017](#) and asked for views on the approach, generating over 8000 responses from a cross-section of business and society. A government response was [published in 2018](#), but both that and the White Paper have since been withdrawn.

It's been argued that DIT's trade policy is contained within a range of documents, but together they do not add up. The Board of Trade's '[Green Trade](#)' report, DIT's [Outcome Delivery Plans](#), and the UK's [Export Strategy](#) do not provide the format or detail needed to constitute government policy. They do not deliver the interconnected thinking needed to ensure that the cumulative effect of trade agreements delivers for businesses, people, and planet. An overarching policy would also [strengthen the hand of UK negotiators of trade deals](#), as it would indicate to negotiating partners that the UK cannot fall below its domestically approved red lines. This is common practice for US negotiators, who will refer to their domestic legislation which sets out the limits for what can be done in trade deals.

The table below shows just how far the UK falls short internationally. With a published trade policy, subject to public consultation, and regularly reviewed, the UK could be a world leader, promoting its values, uplifting its pioneering sustainable farmers and protecting its workers.

BUSINESSES LACK CLARITY ON THE GOVERNMENT'S OVERALL PLAN FOR ITS TRADE POLICY AND DO NOT HAVE SUFFICIENT CONFIDENCE IN HOW IT WILL BE INTEGRATED WITH OTHER AREAS OF POLICY

	Guiding framework for trade policy	Public consultation on guiding framework	Regularly reviewed
USA 	✓	✓	✓
New Zealand 	✓	✓	✓
EU 	✓	✓	✗
UK 	✗	✗	✗

Inconsistent trade deals, between which regulations and provisions differ, have costly and burdensome consequences. There are concerns about the UK's position as trading partner under the Trade and Cooperation Agreement (TCA) with the EU, and its application to the CPTPP, due to potentially conflicting food standards. In Australia farmers produce food to two different standards to sell into the CPTPP and EU markets separately. The UK has already experienced friction here with the Northern Ireland Protocol and how the UK and the EU approve different ingredient requirements, threatening import controls to the European Union. This breeds uncertainty, which should be addressed by a published trade policy, outlining a coherent approach to trade agreements.

A GREEN TRADE POLICY

FREE AND FAIR
TRADE WOULD
ALSO PROTECT UK
FARMERS FROM
BEING UNFAIRLY
UNDERCUT
BY PRODUCTS
FROM ABROAD
MADE USING
UNSUSTAINABLE,
HENCE CHEAPER,
METHODS

A complete trade policy would cut across a large range of policy areas which are affected by trade: industrial policy, agricultural policy, intellectual property, digital policy, etc. WWF aims to outline the areas which would be relevant to climate and nature in the context of how the whole trade policy would function.

Trade policy must be aligned with **environmental and sustainable development objectives**. It should address how it will contribute to real emissions reduction domestically and abroad, preventing the offshoring of environmental impacts which jeopardise the livelihoods of people worldwide, but particularly in developing nations.

A published green trade policy must **ensure regulatory autonomy**: the capacity for states to regulate for social, environmental and other objectives. States are moving at different speeds in their environmental policies. It is critical to prevent a race-to-the-bottom and support regulatory ambition. The WTO allows states to regulate trade on environmental grounds, so there is a need for UK trade policy to now outline how it will maintain this regulatory autonomy while negotiating new commitments in FTAs.

Investor-State Dispute Settlement (ISDS), which can form part of FTAs, is a significant risk to regulatory autonomy. ISDS is a mechanism which allows investors to sue states if they believe that their rights under investment and trade agreements have been breached. The amount of compensation demanded in such cases can be very high, illustrated presently where the German energy company RWE is suing the Netherlands for £1.2bn over its plans to phase out coal. This puts businesses which are at the frontline of creating new, green markets at a disadvantage compared with businesses that rely on dispute settlement provisions to keep their unsustainable industries afloat.

Free and fair trade should involve the **creation of markets that drive the green transition**, most notably by implementing **core environmental standards**. We must ensure that the most environmentally harmful producers do not benefit from lower tariffs and create unfair competition for producers that comply with higher regulations. Core environmental standards would create common minimum thresholds of sustainability for all food products made in the UK and imported, helping ensure products that engender environmental harms such as soil and water pollution, and biodiversity loss, are not given preferential access to UK markets. **This would also protect UK farmers from being unfairly undercut by products from abroad made using unsustainable, hence cheaper, methods.** Core standards have been recommended by several independent reports, including the [Trade and Agriculture Commission's final report](#), the [National Food Strategy](#), and the [Climate Change Committee's Annual Progress Report 2022](#).

A key element of a trade policy would be clarification and improvement of the **scrutiny of trade negotiations**. The current arrangements do not provide for parliamentary or public input when it would be most valuable. Our briefing explaining this in more detail can be found [here](#).

In summary, a published trade policy has been called for by a broad range of stakeholders, including business representatives, civil society, and trade unions, yet the government have not come forward with one. This, combined with significant environmental gaps in their approach to trade deals thus far, leading to potential danger for sustainable agriculture and businesses, presents a true opportunity for Labour to show how they are leading on this agenda and simultaneously expose perceived government failings. This would demonstrate Labour's ambition to utilise trade as a force for good in the world, creating opportunities for trade deals that are better for people, planet, and nature.

We hope you found this briefing useful.

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