

TRADE IN SERVICES COUNCIL

MINUTES 30/03/2022

Attendees

Chair: Rain Newton-Smith, Chief Economist, CBI

Members of the Council (list published on the CBI website)

Guest speaker: Andrew Mitchell, DG for Exports & UK Trade, DIT

Discussion

- One member emphasised the importance of the UK influencing the global trade environment
 - DIT said that the UK's trade independence is an important part of this agenda
- We heard that businesses often view exporting as being too high risk, so it is all about removing market access barriers. This is felt acutely in certain industries
 - DIT pointed to a collective need to strategically identify industries where exports could grow the quickest.
- Members also raised the issue of regulators who play a large role in trade policy by creating a level playing field
 - DIT said that they recognise the comments on regulation and the need to bring regulators into the conversation, with an acknowledgement that independent regulators is absolutely right.
- A common issue raised was the lack of available data on services exports by sector which is often available by goods trade.
 - DIT agreed on the need to drill-down into more data to identify high-potential services exporters.
- Businesses were keen to point out the importance of linking goods and services trade, including services embedded or wrapped around goods trade.
 - The Trade Act means that HMRC data is now available to see firms' year-on-year data and the Government can base interventions on this.
 - They added that they want to see exporters thinking more about services trade.
- Support for SMEs was raised by one member who said that smaller firms often do not know how to export.
 - The DIT invited companies to come to the Directors' group in government to share experiences because they want to make companies' ways of feeding into government.
- Members of the Council said that a wider promotion of services trade is critical and speaking with a single voice is a key part of that. That is where this Council can be valuable.
- Many members also raised the challenges they face in mobility and migration. This can be a key policy focus for the Council and for government.
 - The Government tries to strike the balance between security and prosperity.

Governance

- It was agreed that suggestions on the Terms of Reference can be made via email.
- No nominations were made for a co-chair at the meeting. The CBI will continue to chair.

Workstreams

There was consensus around the first four areas outlined in the briefing paper as useful issues for the Council to tackle. Therefore, it is proposed that there will be three initial working groups:

- **Campaign promoting and articulating the importance of services to the UK economy with improved data on services trade.**
 - Promotional activity to improve understanding and awareness of trade in services contribution to the economy to be developed with existing data sets
 - Proposals to improve services data trade with partners such as the ONS, including the relationship between goods and services

- **Demonstrating best practice on services export promotion.**
 - This will look at international best practice and help inform the government's export promotion for services companies across the UK.
 - The group will also identify how the Export Strategy can practically deliver for services.

- **Strategic promotion of common trade in services policy positions across Government.**
 - Promote policy positions where there is a consensus on issues such as mobility and data to improve government policy
 - Brief the cross-Whitehall DG group to help them set their priorities by the end of the year.
 - Identify, with examples, areas of domestic policy which have unintended consequences for services trade e.g. freeports.