

ANDREW MARR SHOW, 31ST JANUARY, 2021. LIZ TRUSS, INTERNATIONAL TRADE SECRETARY

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LIZ TRUSS MP

International Trade Secretary

(Please check against delivery (uncorrected copies))

AM: Liz Truss, thanks for joining us. Can you absolutely guarantee that the flow of Pfizer vaccines into this country will not be disrupted?

LT: Yes, I can. The Prime Minister has spoken to the President of the European Commission. She has assured him that there will be no disruption of contracts that we have with any producer in the EU and that's a really important principle. And furthermore, we are absolutely confident that our vaccine programme is on track to vaccinate the most vulnerable by the 15th of February. To vaccinate the over 50s by the spring and all adults by the autumn. And I think this is a huge success. It's been driven by Kate Bingham on the Vaccine Taskforce who've done a terrific job in getting those 367 million doses in the pipeline for the UK population.

AM: Would you impose export controls on AstraZeneca vaccines under any circumstances?

LT: We are in favour of free and fair trade and in fact we led the fight at the G20 to get trade ministers to agree to limiting any restrictions so we can see the flow of goods and we think that vaccine protectionism is fundamentally problematic. This is a global problem that needs global solutions and what we want to do is help other countries, including the developing world, get the vaccines they need so we can make sure the whole world is vaccinated. That is the only way we're going to grip this disease.

AM: What about drug protectionism, because there may be an element of hypocrisy there some people think because the UK government has a list of 147 different medicines that cannot be

exported from the UK in part because they're useful against Covid?

LT: That is a different issues. Those are drugs specifically for the UK market, Andrew, and the issue was that those drugs could have been sold on at higher prices, essentially price gouging or hoarded. So those were drugs for the UK market which were being used by the NHS and what we didn't want to see is we didn't want to see price gouging or hoarding taking place with those drugs. They were not drugs destined for export and we believe in free and fair trade; we want to work with allies like the United States, like the EU, like Japan to get trade flowing and to keep it flowing.

AM: Do you think there's a danger that all of this is going to descend into some kind of trade war?

LT: Well I'm very pleased that the EU have said that it was a mistake to mention invoking Article 16 and potentially putting a border in Ireland. I'm also very pleased that we have had reassurances about our contracted supply and what I want to do now is work with fellow trade ministers to keep these supplies open and to move away from the idea of vaccine nationalism or protectionism which we know simply harms our global health efforts and it also harms the global economy. The only way we're going to recover the economy after Covid is by more trade and one of the things I'm announcing today is our plans to join the Trans-Pacific Partnership, a group of fast growing nations so we can expand global trade. So that is what we want to see. We want to see more opportunities for British business and we want to see a greater flow of vaccines to make sure the whole world gets vaccinated.

AM: We'll come onto trade properly in a moment, but before I do President Macron of France has said the AstraZeneca vaccine on which so many British people are dependent, is quotes: "Quasi ineffective on people older than 65. Some say those 60 years or

older. That is totally wrong.” Is that a dangerous thing for him to be saying?

LT: I don't think it's right for politicians to be commenting or making decisions about the efficacy of vaccines. That's why we have independent authorities to look at these vaccines and in the UK's case our authority has said that this vaccine is safe and effective. It's being rolled out and it's already making a difference.

AM: Now I was mentioning to Rachel Reeves just now that Britain is shortly going to have 376 million doses of different kinds of vaccine, more than we need. What is the government strategy for dealing with the excess vaccine after British people have been vaccinated?

LT: We've been part of the international Covax Taskforce to make sure that vaccines are there to cover the world, and one of the great things about the Oxford vaccine is it's fairly low cost to produce. It's fairly easy to deploy. So I think it's a hugely positive development that can be used and deployed very easily in developing countries, so I hope that once we do have those most vulnerable in Britain vaccinated, when we're on track with our vaccine programme we will be able to look at helping the developing world, and of course our friends and neighbours because we need everybody to be protected, that's the way we're doing to grip this disease.

AM: When we're looking at the future, the near future, once this vaccine roll out continues and has reached large numbers of people, the reports this morning that social distancing, all those measures about not seeing groups of people, staying away from crowds and so forth, that's going to carry on for the rest of the year. Is that the kind of prospect that you see ahead?

LT: Andrew, the autumn is a very long time away and what we need to do is focus all our efforts on getting the vaccine rolled out, making sure the proper policies and behaviour is in place now, so that we can exit the Coronavirus crisis as soon as possible.

AM: So to jump in –

LT: I don't think any of us have a crystal ball where we know what's going to be the case in autumn. What we need to do is work really hard now rather than speculating into the medium and long term. And our priority is making sure that we can open schools on March 8th, that we do the vaccine – sorry the Coronavirus under control and the vaccine deployed by that time.

AM: Now the autumn is a very very long way away. Are you suggesting that restaurants and pubs and theatres and so forth might have to stay shut during the summer. Is that really your suggestion?

LT: What I'm saying is that we need to always be thinking about how we protect lives and protect livelihoods and bringing the incidents of the virus down, getting the vaccine rolled out is the quickest way to do that, but we can only open the economy, we can only open schools when it is safe to do so and when we have reduced community transition. So the important point is at each decision point we will decide where we are, what the incidents of the virus is and what steps it's safe to take. So I think speculating about the situation in autumn is going far beyond what we know at the moment.

AM: Alright, let's turn to trade. You're announcing today this Trans-Pacific partnership you want to join. Of the eleven countries who are members of it, we have already got trade agreements with most of them. So far as I can tell, you haven't got the faintest idea what this would do to our GDP if we manage to get into it, because it's still some way away.

LT: This is a group of countries which represents nine trillion pounds of GDP, and the point is they're fast-growing countries. So, countries like Mexico and Malaysia are shooting up the global league tables with more demand for fantastic British goods like Scotch whisky or cars. What this deal will do is it will reduce tariffs on these key industries, it'll mean that they are able to sell more

goods into these countries and ultimately deliver jobs and growth here in the UK.

AM: And that the exports to those countries total for the British economy, in total, is about 8.4 per cent, which is the same as Germany by itself. In other words, this is very, very small beer compared to leaving the EU.

LT: That's what it is at the moment, before we've got those tariffs reduced, and it's 110 billion pounds of exports, Andrew. And the point is it's growing. What we need to do is be putting in place the policies that are going to deliver for Britain in 2030-2040, when the global economy will look very, very different. (talking together)

AM: Leaving the EU takes about four per cent off our GDP, according to your own figures, the government's own figures. Four per cent. What is the figure for what this would give us back?

LT: Well, I wanted to answer the question you asked me last, which is we've already got deals with a lot of these countries. That is true, but we don't have some of the advanced data and digital chapters, we don't have the advanced services chapters. We're the second biggest services exporter in the world, so this deal will go further and faster in areas where the UK has huge strengths, whether it's robotics, whether it's computer games.

AM: So we don't know what this would do on GDP. The reason I might be a little suspicious is that you've done trade deals with New Zealand and Australia, or you're about to do so, and if you look at your government's own figures the effect on GDP is really, really small. Indeed, on New Zealand your own figure says we might actually be poorer as a result of doing this free trade deal. Why would we do a free trade deal that would make us poorer?

LT: That isn't true. What all of these deals do is they give new opportunities to British business that they don't have before, by lowering barriers, by making it easier to export their goods. And you can make –

AM: I'm sorry, you say isn't true, but your own government says, and I quote, 'the impact of a UK-New Zealand trade agreement would be limited, with a central estimate of minus nought point one per cent in scenario two, equivalent to a decrease of 200 million pounds. I ask you again, why would you do a free trade agreement that actually made us poorer?

LT: Andrew, that is a – one of many different scenarios that analyses the geographical impact. What it doesn't look at is the future growth of these economies. And New Zealand is a relatively small country, but it's a very influential country. And the important point is here we're working with those leading democratic nations to help set global standards in areas like digital and data, challenge unfair trade practises from the likes of China, and build a better world trading system. And what we know is trade leads to growth. We know that the more open our economy is the faster it grows. And we know in the future it's going to be the Asia-Pacific counties in particular where the big markets, the growing middle class markets are for British products. So no one's got a crystal ball. Of course British businesses will need to reach out and take these opportunities. But what I am doing is I am creating the opportunity for low tariffs, removing those barriers so they can go out and do that.

AM: So what about all those small businesses that are reaching out and trying to trade with the EU at the moment and are finding they are being throttled day by day by new red tape? Whether it's musicians, cheese makers – you're a cheese queen yourself – cheese makers are very, very upset. The Cheshire Cheese Company, for instance, says that they are going to be destroyed by non-tariff barriers. We're talking about fishermen, we're talking about farmers, right across the British economy we're seeing lots and lots of small businesses dealing with the reality of Brexit trade regulations and finding themselves on the edge of going under. What do you say to those people?

LT: Well, we've always been clear that trading as a third party country would involve processes, the similar processes that you have for trading with the United States or Japan or any other countries. And Michael Gove is leading the Brexit business task force to make sure companies have the support to get those processes done. If you recall, Andrew, there were all kinds of predictions of Armageddon, that we'd have huge queues at Dover, it'd all be very difficult. In fact, many businesses have succeeded in, you know, undergoing those new processes, continuing their exports. We haven't seen those predictions of Armageddon come true, and in fact we've seen new investment in the UK. So for example, Nissan announcing its new car model will be produced in the UK protects over 2,000 jobs. So I think you should look at the whole story, if you don't mind my saying so.

AM: The big companies seem to be doing alright. But the small and medium size companies who are the backbone of the British economy are the ones having real trouble. Let me quote to you Martin Youell, from the Waterdance Fishing Company. He says the term 'teething problems' is insulting to professionals who've been involved in the export of seafood, and he says his company is in real, real trouble. Up and down the country there are lots of once Conservative-supporting, very, very worried companies and they're not getting much of an answer except 'do better'.

LT: Well, that's not true. They are getting support from the Brexit business task force in terms of the processes that need to be gone through. But we have left the single market and the customs union and we are now in a position of trading with a free trade deal with the EU. In a similar position to which we are with, you know, other countries, whether that's Japan – and you know, businesses do those processes and undertake that work to be able to export.

AM: Alright, thank you very much indeed, Liz Truss for talking to us. We're out of time.

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