ANDREW MARR SHOW
6TH MAY 2018
GREG CLARK

AM: I don’t want to be silly about this, but it is a very passionate subject for you, clearly, because presumably it’s about the jobs and livelihoods of people watching this programme and people in business across the UK. You became emotional about it. Just tell us why.

GC: I don’t recognise that at all. In fact, I’ve never been so clear-eyed in my life about this. But I do feel very strongly for this reason: it is absolutely right that we should be leaving the customs union. This is something that was a clear commitment that was made in the manifesto. But what we replace it with is of huge importance. Let me give you the reason for that. I was talking this week to the global president of Toyota Motors. They’re making a big decision as to whether – where the next motor plant should be in Europe. We’ve got a very successful one in Deeside at the moment, in North Wales. But there are choices as to whether that should be located on the continent. Between that plant and the plants in Burnaston and Derbyshire there are 3,500 people employed. And the nature of that business is that parts come – or 50 per cent of the parts come from out of the country. They come through every hour of the day and night. They’re not allowed to arrive at the part two hours early or two hours late.

AM: Just in time manufacturing.

GC: Just in time manufacturing. It is highly efficient, and so what we’ve always said, what the Prime Minister said in the Lancaster House speech, what she said in the Mansion House speech, what we’ve said throughout to businesses is that we will have the customs agreement that has the minimum of frictions. Now, that is crucial because otherwise those men and women that are employed – let me just give you one more feature of this: the jobs that are available, being employed now, and there are many more
in the supply chain, the average wage in the motor sector – just to take that example – is £36,000. That is hugely above – almost half as much again above the national average. It’s an area in which we are strong, we are growing, the world is looking to our industrial strategy to the innovations that we’re making there. So this requirement to do what it takes to get that frictionless – minimum of frictions, is something that we’ve made a public commitment to and we need to make sure that we get that right.

AM: And why does this customs partnership, which involves us taking tariffs and then paying them back – sounds a little complicated – why does it help those people?

GC: It helps them because if you are doing what I described for Toyota – it applies to other firms as well – you had Arlene on earlier, Bombardier, in Belfast, we’ve got a substantial engagement there, that is fantastic. They’re getting new orders. Most of their components come through in a similar way through the port of Dover actually. And what it means is that you can import them without any checks at the border, without any paperwork. And that is a very important feature of it. But it’s not perfect. Because what it means is that if we have imports from other countries where we’ve abolished the tariff there has to be an arrangement –

AM: Where you pay back.

GC: Where you pay back. That is a fair observation, it’s a new structure, so what the conversation is about, making sure that we get that right.

AM: Because there are those of your colleagues who say that going down this route would be a denial of Brexit, cretinous, and that after the Cabinet discussion that you were part of it has been destroyed as an option, it’s not on the table any longer. Is it on the table?

GC: Yes. So it was actually – as is so often the case – if you were part of this discussion it was a much more professional collegiate
GREG CLARK

discussion than you would ever think from the reports about this. We've got three requirements for this new arrangement that have to be in place. There is the need to minimise frictions at the border, as I've said. It’s also to make sure that we can conclude free trade agreements as a sovereign nation with other countries. And as you were discussing with Arlene, to make sure that we avoid a hard border in Northern Ireland. So these are challenging. And so it was a substantial discussion to see what we can do to be able to achieve all three.

AM: The alternative idea, so-called maximum facilitation, depends upon very technical recognition of number plates and all of that to try and minimise the disruption that you were talking about.

GC: That’s right.

AM: Can you explain how it would be possible to do that without there being extra facilities of some kind on the Irish border, extra cameras? Because, you know, you need to recognise a number plate, you need to recognise a number plate, you have to have a camera there to do it. So how could it be done otherwise?

GC: So the work that’s going on is to probe a bit further, to see whether, for example, tracking consignments, as increasingly happens, to be fair, in the online world. If you order something you can track where a delivery is in the country, absolutely. Whether those kind of arrangements can be put in place. So that’s why I said it was a serious discussion, a substantial discussion. It requires some more work.

AM: You have to decide what you’re going to do. Time is running out. Are you going to decide in Cabinet this coming week?

GC: Well, of course there’s a big premium on being able to find ways, our preferred option list, so that can be part of the negotiations.

AM: Time is running out.

GC: Everyone knows that. But actually, do you know, the conduct of negotiations – I’ve been, as a Minister, part of many discussions with the European Union. Sometimes it’s the case that
actually intense periods of analysis, if done in a constructive way, can find the right way forward. I mean, one point that was agreed by all shades of opinion in that discussion was that actually whichever option is chosen it will take some time to have them put in place and available.

AM: I want to talk about the timing now. Can I ask you very simply when do we leave the customs union?

GC: We leave the customs union when we leave the European Union in 2019.

AM: So those people who look at these technically difficult things and say this country is not going to be ready until 2022 or 2023. What happens between 2019 and 2022 or 23, a period of three years or so when we may not be ready for the new world but we have left the old world?

GC: Well, first of all the implementation period, the transition period which has been agreed, and again it’s worth – AM: Could that be extended?

GC: Let me come onto that. I think not, but let me tell you – let me point to that as an example where actually if we were talking a few months ago people were thinking that there was not going to be a meeting of minds on having an implementation period and actually it proved possible to do so. What I think would be important – AM: So what could happen?

GC: - so what I think would be important for business is to have an understanding of what we are going to in terms of the ultimate arrangement.

AM: So have the understanding but we may not have the actual infrastructure to get there for two or three years after we have left the customs union.

GC: It’s possible. That needs to be bottomed out.

AM: So what happens?
GC: So what I’m suggesting is that as part of the work over the next few weeks I think it would be a mistake to have - to move from one situation to another and then to a third. If we can make progress as to what – which I think we can – as to what the right arrangement is for the long term then it may be possible to bring that in over that period of time, so business can have a clear understanding of this.

AM: You could extend the transition until we’re ready to move?

GC: No, it wouldn’t be a question of ...
AM: Because if we don’t know what else happens –
GC: It wouldn’t be a question of extending the transition, it would be as it were implementing as soon as you can do so. There will be different parts that can be done immediately, there will be things that will take more time. Take for example the system of repaying tariffs for goods that stay in the United Kingdom. Really impossible to do that earlier.

AM: I’m sorry, if I’m a business person, whether I’m in a big car manufacturer or whatever I’m looking for certainty. I want to know what the regime is going to be. And if I don’t know what’s going to happen in 2019 because nothing is ready, that is a disaster for me.

GC: No. I think what is the most important thing – of course business wants certainty, everyone recognises that. But every business that I talk to wants the certainty that the agreement is the right one. No one wants to go back - no one wants the certainty, which is available at any time of simply collapsing the negotiation saying well we’re not going to bother with this, we’re going to accept frictions at the border for example. No one wants that. So it is absolutely right that businesses want to have certainty. But it needs to follow a constructive, a professional
engagement, informed by businesses for the purpose of these jobs.

AM: The partnership is still on the stable, still a live option?
GC: Yes, so the agreement that we made was that they needed further work –
AM: No I just wanted to make that clear.
GC – but it is important -
AM: Can I turn onto something else?
GC: Yes, but let me just emphasise, the importance for jobs in our country.
AM: You said that yes okay.
GC: You can compare models but actually you need to have in mind the future jobs but also the very important jobs for people today.

AM: Understand that. John McDonnell raised a very disturbing case of our councillors in Pendle who shared a really, really vile obnoxious joke. Now you as a party have had a real go at Labour over anti-Semitism and made hay with that. Surely until that councillor is suspended again you have no moral authority as a party to point the finger at anybody else.

GC: And Andrew I haven’t seen that but I’ve read reports of it and it seems to me that if they are the views of this person what has no place in the Conservative Party. Indeed I’m sure the party authorities will have to investigate that.

AM: So as a party you will be looking at this again?
GC: We can’t possibly have a situation in which people – if they hold –
AM: because you’ve just readmitted her into the party and won control of the council by doing so.
GC: Well I haven’t seen the evidence. I’ve read reports of it. If they are her views then they are incompatible with the
Conservative Party, but it is for the authorities, my party authorities to investigate that.

AM: One final question. Have you raised with the Prime Minister the plight of people who want to come and work in this country but who are earning below £50 or £60,000 a year and under the new rules will not be able to. Because there’s a lot of people in the National Health Service, as in all kinds of businesses across the UK who say we need these highly skilled non EU workers to come and work here and your rules are stopping people we need from coming here.

GC: This is a constant discussion in government as to how you can make sure that the rules that you have are operated in a sensible and pragmatic way. What I would say is that no one, whichever side of the referendum campaign they’re on, no one had a view that we need to stop qualified people, engineers, scientists coming to this country and in fact in the industrial strategy we’re providing more visas for scientists and engineers from around the world and that is absolutely right.

Ends