



UK-US deal could 'rewrite' global rules, think tank says

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UK and US think tanks looking into the best form for a free-trade pact between the countries say that a new deal could potentially become the basis for bilateral agreements worldwide.

Experts from 11 think tanks in both countries contributed to a draft text for an "ideal" free-trade agreement, which they said could reduce barriers and eliminate tariffs for nearly all goods.

Matt Kilcoyne, of UK neoliberal think tank the Adam Smith Institute and co-author of the report, said: "Together the US and the UK have the clout to rewrite the rules of global trade.

"This deal would be about freeing citizens of the two largest English-speaking countries to trade without impediment, to be able to move for work and change their stars.

"Britain's future is bright, so long as it doesn't just buy into the status quo or join in trade wars against her own citizens. Instead, the UK must seek to bring down barriers and push up prosperity."

Dan Ikenson, from US think tank the Cato Institute, said the project was aimed at persuading policymakers and the public that a "comprehensive bilateral trade and investment agreement removing all barriers to trade across all sectors of both economies without exception is in their best interests".

The prospect of a free-trade deal with the US has increasingly become a consideration for the UK's economic future, as the country approaches the March 2019 deadline to leave the European Union.

However, sceptics have expressed concern about opening up the UK market to imports of American products such as chlorine-washed chicken and the NHS to US health firms.

The document said "health services are an area where both sides would benefit from openness to foreign competition, although we recognise any changes to existing regulations will be extremely controversial".

The report also acknowledged political sensitivities on both sides of the Atlantic in securing domestic support for a deal, particularly against the backdrop of the Trump administration's "Buy America" policies, which could also pose a problem to an "ideal" trade agreement.

Although support for Buy America provisions is "strong in the United States", the report said "such policies are clearly bad for those adopting them".

Tom Clougherty, from the Centre for Policy Studies, another co-author of the report, said: "This isn't just an ideal free trade agreement between Britain and the United States; it is a model for how trade liberalisation can and should work in the 21st-century."

A Department for International Trade spokesman said: "We are committed to forging new trading relationships that create jobs, boost our vital industries and benefit people across the whole of the UK.

"We are currently seeking a wide range of views about four potential free trade agreements, including with the USA, and we encourage all interested organisations and members of the public to make their voices heard through our online consultations."