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Boris Johnson Wants to Be a Free Trade Grandmaster

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It's an odd paradox of Brexit that having won its trade freedom, the U.K. may find it harder to pursue free trade. The former was an oft-cited objective of Brexit, but the latter has been made a central pillar of Boris Johnson's desire to create a "Global Britain."

More than four decades have passed since Britain last negotiated a trade deal, but it now plans to hold up to five sets of trade talks simultaneously. The guiding philosophy, Prime Minister Johnson said last week, is an abiding belief in the value of free trade, which Britain plans to use its negotiations to promote.

Free trade agreements are Johnson's most pressing foreign policy objective. But they don't come easily. Negotiating a single deal takes sustained political will from both sides, a deep bench of expert negotiators, a coherent strategy, detailed consultation with various stakeholders, time (usually several years or more) — and luck.

While negotiating tandem deals isn't unknown, it's even more complicated. "South Korea and Chile ran talks with the U.S. and European Union simultaneously; one negotiator involved described it to me as a nightmare," recounts David Henig, director of the U.K. Trade Policy Project and a former British trade official. The complexities reflect the resources required to run tandem negotiations, but also the need to keep track of which discussion lines have moved with which party and to keep things simple for regulators. It can't help when two of the parties are trade elephants like the EU and the U.S., who themselves are at odds with each other over a host of trade issues.

Johnson wants free trade deals with the EU and the Americans, to be concluded before the end of this year; but he's also negotiating deals with Japan, Australia and New Zealand. He referred to the plan (in what may be his first known instance of understatement) as "the great multidimensional game of chess."

That game was launched last week and now his pieces are fanning out across the board, or boards, at breakneck pace. On Monday, Johnson set out his objectives for the EU talks, asking for a comprehensive deal but rejecting the demand that Britain adopt a host of European rules and regulations.

In this particular game, however, the U.K. has started off by sacrificing its Queen. The price of trade freedom was leaving a largely friction-free European single market of 450 million people.

Negotiations with the EU are about damage limitation as new barriers go up, not removing obstacles to trade.

Despite all the brouhaha around Brexit, the main focus last week was on non-EU deals. Foreign Secretary Dominic Raab traveled to Asia to kick off talks with Australia and Japan. On Thursday International Trade Secretary Liz Truss published the government's goals in seeking deals with the four non-EU "like-minded partners." The government also launched a public consultation on the U.K.'s new global tariff schedule, which would apply to countries where there's no free-trade deal in place.

The U.K. has been rapidly lawyering up. The trade ministry's team overseeing all negotiations has expanded from 119 staff in 2016 to more than 700 trade lawyers and experts in 2019; it outnumbers even its U.S. equivalent. This trade army may not be battle hardened, but if Britain makes a mess of it, it won't be for lack of muscle. Clear political direction is another matter.

What can Britain hope to achieve? Getting a deal with Japan would be positive for Johnson and might reassure some carmakers that companies such as Nissan Motor Co Ltd. will stick around in the U.K. But it's hard to see how any agreement would compensate for the damage Brexit inflicts on the U.K.-Japanese partnership by ending Britain's role for Japanese companies as a gateway to Europe.

Agreements with Australia and New Zealand also fall into the category of "nice to have." Australia, however, already rejected a British proposal for visa-free work travel between the two countries; they are worried about a brain drain and getting low-skilled workers in exchange. Welsh lamb farmers, meanwhile, are keeping a wary eye on any New Zealand deal.

The real prize is agreement with the Americans. This is not primarily a matter of economics. The upside to the British economy from such a deal would be modest — adding about 0.2% of GDP in the long-term — but it would be a hugely symbolic achievement for Johnson.

While some hope the U.S. talks will put pressure on the EU to make concessions, that seems like a long shot; and one that carries risks. If a U.S. deal gets bogged down, any pressure on the EU side is gone. Worse, if the Americans press demands that are politically toxic — anything around the National Health Service, food standards or animal welfare, for example — Johnson may find public patience wears thin.

It's not clear that a quick U.S. deal can go much beyond tokenism. "I really struggle to come up with too many forms of market access that you could potentially offer the U.S. that would hurt the EU more than it would hurt the U.K. not having a good deal [with the EU]," says Dmitry Grozoubinski, a former Australian trade negotiator and founder of Geneva-based consultancy ExplainTrade.

Donald Trump, a big Brexit supporter, has promised a "massive" trade deal, one reason Johnson may not want to wait. U.S. and U.K. delegations have been meeting for more than two years and leaked notes from some of the early sessions in July 2017 showed a willingness on the U.S. side to find common ground, and a realism about what's achievable.

"Trade is not always a happy area; this is," U.S. Trade Representative Robert Lighthizer said during one bilateral meeting. But it was also clear that the U.S. wants the U.K. onside in its disputes with Europe over issues from services and Geographic Indicators (names for food and

drink that matches where they're made, such as Parmesan cheese) to agricultural chemical regulations and data.

That will get awkward eventually: The EU and the U.S. both like to hug trade partners close. Britain's outgoing U.S. ambassador Kim Darroch told the Guardian last month that he expects the Americans to push aggressively to open up Britain's agriculture and health care sectors to U.S. exporters. He thinks the U.K. probably won't get much in return.

"A U.S.-U.K. trade deal is likely at some point, but it will not be easy, and it is unlikely to make up for what has been lost with the EU," Simon Lester, a trade expert at the libertarian Cato Institute, says. "The Trump administration has mostly gone in the direction of protectionism rather than free trade. They may be willing to liberalize a little bit with the U.K., but so far they have not been willing to do too much in other negotiations."

All of this will be closely watched back in Parliament — another board in the multidimensional chess game. Johnson has a fresh electoral mandate and a large majority, but he can't take that for granted.

Richard Tice, chairman of the now redundant Brexit Party, has urged the government to be even bolder in its EU negotiations. "We must not wait for the EU to be ready to talk in March. Instead, we should shock them, while they are fearful and weakened," he wrote in a newspaper column. The idea is absurd to anyone who's been involved in a trade negotiation, but Nigel Farage's party, and plenty of Conservatives, plan to hold Johnson's feet to the fire so he doesn't backslide.

And this may also be about a future blame game. For all the fanfare, Johnson's trade crusades probably won't yield great victories; and the public may lose faith in the effort. As Emmanuel Macron has found in France, it doesn't take much for a honeymoon to end.