



# Briefing document

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## Legislative Consent Memorandum (LCM): Trade (CPTPP) Bill

Date of debate: 12th of March 2024

RSPCA Cymru welcomes the opportunity to brief Members of the Senedd ahead of the forthcoming debate on providing the Trade (CPTPP) Bill with legislative consent. In 2023, the UK agreed to become a member of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). This agreement will come into effect once the UK and CPTPP parties have finished their legislative processes. While the UK is due to complete its implementation process on March 22, it is still unclear whether Westminster will debate the CPTPP Agreement. Two countries have already ratified the UK's entry into their markets and all are expected to do so by the second half of 2024, with the aforementioned bill being a key part of this process. The Trade (CPTPP) Bill - which is currently in its final stages in Westminster - enables the implementation of the relevant agreement by amending the narrow areas of UK domestic legislation that require this, rather than being related to the benefits or drawbacks of the Free Trade Agreement (FTA) with the CPTPP.

The Trade (CPTPP) Bill aims to enact legislative changes required on technical barriers to trade (TBT), procurement and intellectual property and ensure compliance with international obligations when the UK joins the FTA with the Trans-Pacific Partnership (TPP). The Welsh Government laid a relevant [Legislative Consent Memorandum](#) on 8 December 2023, with the upcoming debate on this LCM expected to focus on whether the proposed bill properly reflects the devolution settlement. However, it also provides a useful opportunity for the Welsh Government and Members of the Senedd to make comments on the wider issues of the UK's future membership of the CPTPP, such as the potential impact on animal welfare and the agriculture sector in Wales.

When it was introduced, it was made clear in the House of Lords that the views of the Welsh Government would be taken into account before the Trade (CPTPP) Bill becomes law. With trade being a reserved issue, the Welsh Government had no proactive role in the UK's negotiations of CPTPP membership. However, the Welsh Government did raise concerns at the start of the process but seemingly received minimal information on the progress of these talks and the potential impacts of the FTA on Welsh agriculture<sup>1</sup>. This debate provides the Welsh Government and Senedd with an important opportunity for their views to be heard.

### **Concerns around the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP)**

11 countries are currently part of the Trans-Pacific Partnership and its FTA - Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The UK has higher legal animal welfare standards than every CPTPP member country other than New Zealand. Because of this, RSPCA Cymru is concerned that the proposed tariffs will leave farmers in Wales vulnerable to imported eggs, pork and beef that are produced to standards that are illegal in the UK. Many CPTPP members, such as Canada and Mexico, use methods of production that are illegal in Wales and may try to facilitate

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<sup>1</sup> <https://www.gov.wales/sites/default/files/publications/2023-10/trans-pacific-partnership-welsh-government-perspective.pdf>

exports to the UK in sectors such as beef, pigmeat and laying hens. While the UK already has trade agreements with nine of the 11 members, the FTAs with Canada and Mexico have been re-negotiated as part of CPTPP membership. Joining the CPTPP has one crucial difference to negotiating a Free Trade Agreement (FTA) - the rules are already set and cannot be re-negotiated. However, the UK can and did renegotiate reducing certain tariff lines of sensitive products and it is these which will have the most impact on Welsh agriculture.

The CPTPP currently has no specific language on animal welfare, with this being among the concerns noted by the Welsh Government in its [assessment](#) of the partnership. The main aim of the CPTPP is to lower tariffs to zero, with this explicitly stopping any country raising its tariffs. While conditional liberalisation or differential tariffs could be negotiated in individual FTAs, the CPTPP does not permit this under its rules. As a result, safeguarding the UK's current animal welfare standards can only be done through insisting on the right to refuse to import products produced to lower animal welfare standards than those produced in the UK and conditional liberalisation for higher welfare animal-based products based on preferential access. This debate provides an opportunity for the Welsh Government and Members of the Senedd to call for such action from the UK Government, before the FTA with the CPTPP is ratified in 2024.

### **How the CPTPP agreement could impact Welsh farmers**

While membership of the CPTPP could provide export benefits for the UK, the UK Government's own figures show this to be just 0.08% increase in GDP as we already have FTAs with 9 of the 11 members. This membership does, however, bring challenges on key issues that could impact farmers in Wales such as agri-food imports and trade in gene-edited (GE) products. Once the CPTPP FTA has been agreed, the Welsh Government will be unable to prevent the import of produce that has been produced using standards lower than our own into Wales. Trade is a matter reserved to the UK Government and the Internal Markets Act 2020 means that once imported any product must be allowed to be transported and sold internally within the UK's single market.

**Genetically engineered products:** Under the CPTPP, any country must send their risk assessments on any biotech product to the importing country for consideration before trade is allowed. While this currently only covers plants, animals may be included going forward. The UK Government's Genetic Technology (Precision Breeding) Act 2023 permits the production of both animal and plant derived products that are genetically engineered in England. However, those products can be sold throughout Great Britain - including in Wales - under the terms of the Internal Markets Act 2020. Despite both Wales and Scotland being opposed to the gene-editing of animals, neither can stop the movement or sale of any GE animal products that are imported. As becoming a member of the CPTPP could result in more GE products being imported and sold in Great Britain, trade policy taken under the CPTPP could have an impact on farmers in both Wales and Scotland.

**Importing products produced to lower welfare standards:** There are a number of sensitive products which could enter the UK market and be produced to lower standards if tariffs are reduced without equivalence. These include: chicken, pigmeat, beef and egg products from Canada, chicken, egg products and pigmeat from Mexico and chicken from Malaysia. While the UK Government has already assured that any beef that is exported to the UK needs to be hormone free, there is no way of ensuring that imported beef will meet UK standards. In terms of pigs, the use of sow stalls is permitted in both Mexico and Canada but has been illegal in the UK since 1999. The use of conventional battery cages for laying hens is also widespread in Mexico and Canada. The CPTPP permits unlimited access for egg products post 2034. As approximately 80% of egg production in Wales is free-range, this is a particularly concerning issue for Welsh egg producers as imported egg products could undercut production in Wales without any tariffs being applied to them.

Although the UK Government's Trade and Agriculture Commission's report<sup>2</sup> noted that neither Mexico nor Canada exported any egg products to the UK at present, the reduction of UK tariffs to zero by 2034 could see a repositioning of this trade in future.

In addition, the Welsh Government consultation on the Sustainable Farming Scheme recently closed. The SFS could eventually see farmers who maintain high standards of animal health and welfare financially incentivised and rewarded - something RSPCA Cymru has long supported. However, the import of cheaper produce that has been created using lower standards of animal welfare could put Welsh produce at a competitive disadvantage - both in terms of its production and purchasing costs. We therefore urge the Welsh Government and Members of the Senedd to continue raising awareness of the potential impacts of trade agreements such as that with the TPP on the agricultural sector in Wales.

As well as potentially impacting the agri-food sector, the aforementioned agreement could also impact consumer choice in Wales as purchasers will be unaware of where their produce derives from without adequate labelling. As it stands, many consumers seek higher welfare and locally sourced options. However, unclear or absent labels make it difficult for consumers to make adequately informed decisions, or make purchases in line with their intentions. Inadequate labelling also hinders the sale of higher welfare and locally sourced products and therefore the farmers producing them. At present, only shell eggs have to be labelled - products containing eggs are not currently labelled, with these representing over 30% of the egg market in Wales. This lack of labelling and choice for consumers only exemplifies the consequence of trade agreements which allow cheaper, substandard products to be imported into Wales. We therefore continue to encourage the Welsh Government to consider how this could be rectified via the introduction of mandatory country of origin and/or method of production labelling in the future. The UK Government is expected to consult on such measures in March, with this having the potential to lead to better labelling and information to consumers on how and where food is produced in England than in Wales.

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<sup>2</sup> <https://www.gov.uk/government/publications/cptpp-fta-advice-from-trade-and-agriculture-commission>