

National Trade Conversation

Wales

Introduction

The UK is developing trade policy and negotiating trade deals as an individual country for the first time in over 40 years. The success of these new deals will ultimately depend on the extent to which they deliver on what matters most to people in their everyday lives. Rigorous consumer research and insight sit at the heart of how Which? champions consumers' interests, and so the National Trade Conversation was commissioned to get an in-depth understanding of consumers' priorities for trade deals. It gave people a unique opportunity to say what their priorities are when the breadth of issues that could be part of trade talks are explained. Our key research question for the National Trade Conversation was:

What matters to people about the consumer aspects of the UK's trade deals, when the risks and benefits are explained?

The National Trade Conversation uniquely engaged people from around the country and from all walks of life. By involving key experts, government departments and interest groups, people were able to go beyond what initially appeared as a highly specialised area, and explore in-depth how the UK trades, how trade deals work and what issues could be on the table.

The research used a deliberative approach. In partnership with deliberation experts, Hopkins Van Mil, we conducted online dialogues in five locations across the UK, engaging with 97 people recruited to reflect a cross section of each locale. The process - involving over 12 hours of information sessions, facilitated discussions and reflective tasks, across two weeks - gave participants an opportunity to explore trade deals in great depth.

This report covers the findings from our research conducted in South Wales. 21 participants took part in our five workshops, held between the 17th August and 28th August 2020. Whilst there was a remarkable amount of common ground across five dialogues in five different locations in the UK, each location had their own distinctive response to our key research question.

Priorities

UK wide priorities and principles

Throughout the research, we asked participants to think about *the consumer aspects of trade deals that matter most to them*. Looking across all of our five locations, we identified four key priorities that consumers had for future trade deals. Our question asked about the consumer aspects of trade deals, but it is clear from their priorities and the principles that underpin them that for our participants, being a consumer is interwoven with wider views as citizens of the UK. These priorities were shared by most participants in most locations.

The UK wide priorities were:

1) Maintain health and safety standards for food and products

The issue which mattered most and dominated discussions of consumer goods was the importance of maintaining existing standards.

“A race to the top instead of a race to the bottom. That's what I would like to see, in terms of standards.”
South Wales

2) Maintain data security regulations that protect consumers rights

There were widely held concerns about what the implications might be for consumers if data protection and online consumer rights were removed.

“I'd rather maintain digital protections. It seems like it's not really worth the increased choice if our digital protections are sacrificed.”
South Wales

3) Help address regional inequalities by protecting and promoting jobs, skills and industries across the UK

Participants wanted to see trade deals help all parts of the UK to thrive – not just London and the South East. They wanted government to help those who would need to re-skill if their industry loses out.

"[My question for UK trade negotiators]: With the downside of trade deals being that more deprived areas will become more deprived, what is the government prepared to do to help people in these areas make a living?"

South Wales

4) Protect the environment

Participants wanted to see that the UK's trade deals align with our environmental and sustainability targets. Participants welcomed the specific focus by some countries on incorporating environmental protection into negotiating priorities.

"We've got to either accept that we're going to have a bigger carbon footprint to have cheaper prices or a smaller carbon footprint to have a little bit more moral, ethical values of the British people if that's what we want to stick by."

South Wales

There were also 4 overarching principles which underpinned participant priorities:

Fairness: A trade deal should be beneficial for all involved: to governments, industries and citizens on both sides. The UK has a duty of fairness particularly when making trade deals with smaller, developing economies.

"Before I got involved in the workshops, I wouldn't think twice about paying a pound for something and not really think about where it came from. But knowing what people have to do to just produce one ingredient of part of a product, it just makes you think that we need to do more and insist more on higher practices so everyone involved is treated fairly."

South Wales

Longevity/Future proofed: In a world that is changing so quickly, participants thought that the UK should be thinking of the long term, scanning the horizon for new opportunities and agree deals that can adapt to the types of changes discussed.

"Countries that require our services may no longer require them in future if everything is improving and growing so quickly. The same for physical goods as

well. The main point is how future proof are these trade deals if you're exporting certain goods that people won't need in the future, and vice versa?"

South Wales

Representing the whole of the UK: Trade deals are perceived as English-centric and lack representation from devolved nations. People wanted reassurance that each region's voice is heard, fully considered and represented in trade deal negotiations. This was a prominent theme in our discussions in South Wales.

"I find it interesting that Wales, Scotland and Northern Ireland are probably some of the only countries in the world that can't strike their own trade deals.

It's the country next door instead."

South Wales

"By doing our own trade agreements in Wales, we know where our strengths lie. I would like to be able to see Wales making their own negotiations and deals with other countries."

South Wales

Transparency: Trade deals need to be made more transparent for consumers. Participants felt that consumers are largely excluded from trade deal negotiations and are left with little understanding about the process and outcomes.

"How involved are the thoughts, requirements, demands of the end user, consumer, considered in the trade negotiations. At what stage of the negotiations are these introduced and then implemented?"

South Wales

Welsh priorities

Visual minutes

When we decided to move the National Trade Conversation online due to the COVID-19 pandemic, we also decided to commission some visual minutes of the events. Below is the output of our discussions in South Wales.



Each small discussion group in South Wales developed their priorities during the final workshop and they were shared in plenary at the end of the session. Before deciding on their top 5 priorities, participants were asked to think about the content of all the previous workshops and online tasks and to identify what was most important to them. As a result, these priorities are the outcome of participants deliberating the wide range of evidence that was presented to them about the opportunities and risks to consumers as a result of trade deals. The table below shows the priorities in South Wales split by discussion group.

| <i>Group 1 priorities</i> | <i>Group 2 priorities</i> | <i>Group 3 priorities</i> |
|--|--|---|
| <p>Standards: Maintain and promote the UK's high standards in terms of safety, quality and environmental standards: including for food, car, toiletries, data and labelling</p> | <p>NHS "off the table": Decisions that impact the NHS shouldn't be as a result of trade – it's for the UK to decide ourselves.</p> | <p>Standards: Maintain our current standards on food. The group had two competing views on how this objective should be achieved: a) Give consumers the choice through clear and accurate labelling b) Make sure products produced to different standards aren't on our shelves, so we can trust what we buy</p> |
| <p>NHS structure and ideal will not be included in any trade talks: including pharma pricing and GDPR</p> | <p>Standards: Maintain food standards: e.g. animal welfare, safety standards Clear labelling is important if we aren't able to maintain standards.</p> | <p>Help address regional inequalities: Any trade deal must not be detrimental to UK jobs (e.g. farming and car industry)</p> |
| <p>Fairness: Trade deals should be Ethical/fair trade, non exploitative: e.g. only trade with countries with a ban on child labour/ human rights abuses</p> | <p>Trade deals should have positive economic benefits for the UK – e.g. utilise our existing strengths, like trade in services. Boosting the economy should bring jobs, prosperity, resilience against recession.</p> | <p>Protect the environment: Trade deals need to be a 'green deal' and focus on green technology industries</p> |
| <p>Help address regional inequalities: Protecting the rights & skills, ability to trade of local industries, farming and manufacturing – not being priced out.</p> | <p>Standards: Maintain safety standards of non-food products (e.g. cars, toiletries)</p> | <p>Pharmaceuticals for NHS at good prices without sacrificing quality of care</p> |
| <p>Protect the environment: Ensure deals align with greenhouse gas targets and</p> | <p>Data security: Data protection + consumer protection when buying</p> | <p>Easier data flows between countries which give opportunities for UK digital</p> |

| | | |
|------------------------|--------|---|
| overall sustainability | online | services to break into markets in other countries |
|------------------------|--------|---|

There were a number of priorities that were present in all three groups. Firstly, **maintaining standards** was clearly an important priority for all our Welsh participants.

“I think the standards that we have are the ones that, I would imagine, most of us want to maintain, whether that is food or cosmetics or cars. I don’t think any of us would want to see any of those diluted simply for a trade deal, I think we would want to maintain those standards as a matter of course.”

South Wales

Secondly, all groups wanted trade deals to be beneficial for all UK citizens across the country by boosting jobs and protecting any industries put at risk by future deals. Participants in Wales referenced the negative impacts of previous heavy industry closures – such as coal mines and local manufacturing – and didn’t want to see a repeat of the job losses and deprivation as a result of future trade deals.

“The decisions taken now about what we trade with other countries on preferential terms will have a massive impact on which industries have optimum conditions for growth and which industries may possibly die out. This has particular implications for education and training and on prospects in certain regions - the example of Tata Steel in Port Talbot springs to mind.”

South Wales

Lastly, issues relating to the NHS were also present in the priorities for all three groups. Whilst not strictly a consumer issue, participants felt strongly that the NHS should be ‘off the table’ from any future trade negotiations – though they were keen to learn more about how trade could potentially benefit the NHS, including cheaper pharmaceuticals.

“I don't think it should be on the table at all. So, for me, it would be, 'NHS will not be included in any trade talks at all, and this includes GDPR, pharmaceutical pricing.' For me, it would be a red line.”

South Wales

Priorities

Food

We kicked off our food discussions with a video featuring a range of organisations with an interest in trade. In England, Wales and Scotland the video showed Which?, the Fair Trade Foundation, the National Farmers Union, Chatham House and the British Retail Consortium. After watching the video, participants talked about their views on the implications of trade deals on food. They discussed issues relating to increased choice, resilience, availability, the potential for lower prices through tariff reductions and were also given examples of food standards and how they differ in different countries (See the Appendices of the main report for further details). They were asked for their thoughts on the relative opportunities across the different deals, how issues such as standards, price and choice should be balanced, which standards should be maintained, or new ones adopted.

As is clear from each of the groups' priorities, maintaining food standards was one of the most important outcomes of future trade deals for Welsh participants. Similar reasons were given across all of our five locations as to why this was important. Participants were concerned that lower prices of imported food could cause harm both in the UK and in other trading nations - if not considered in the detail of trade deals - by:

- Impacting on health or safety of consumers
- undercutting UK farmers and food producers
- causing environmental harms
- encouraging poor labour standards
- undermining fair trade.

Some participants in other locations in the research felt that wider choice offered by importing food of lower standards was welcome, providing the choice is truly informed and offers something new such as lower prices. However in Wales there was a strong sense that any potential benefits from increasing choice as a result of accepting food

produced to lower standards were greatly outweighed by a number of disadvantages, as specified above. Welsh participants did not feel that cheaper food would actually benefit those on the lowest incomes, as they felt lower quality food would have a range of health and environmental implications.

“If the choice means we have poor quality food, then I would prefer to have less choice and better quality food.”

South Wales

“I would never want to compromise on food standards. I understand the issue of price and that some low income workers may struggle if the price increases as a result of these higher standards but I believe the government should then look at the minimum wage and compensate for this.”

South Wales

“Personally, I really like the fact that we have lots of choice, but I would rather have less choice and better food standards, so that's something I would compromise on. And yes, we all love bargains and cheaper food, but at the end of the day, if I was to be given the option of knowing that something's slightly more expensive but produced in this country, and saving jobs or creating further jobs, I'd be happy to pay a little bit more.”

South Wales

“You would be buying food you could afford, not necessarily the best choice for you, but what your income dictates you can eat or afford to buy. I don't think that's good for any group of consumers in any economy. That's a bad idea.”

South Wales

Many participants in Wales also wondered whether the UK should be more self-sufficient in food production. They felt this would help boost the UK (and therefore Welsh) agricultural sector, and would help build resilience if there were future disruptions to supply chains. Many participants had experienced the temporary shortages on supermarket shelves, related to COVID-19, earlier in the year. Participants

also thought eating more locally grown food would reduce the environmental impact of food consumption.

“Do we actually need the amount of choice we currently have. Shouldn't we as a country start relying on what we can produce more?”

South Wales

“There was a big shock to the food system when all the food started [to be stockpiled] before the lockdown, and obviously if we did have more sustainable, resilient food supplies in place then that probably wouldn't have been a problem because there would have just been a continuous supply coming in.”

South Wales

One theme which came out particularly strongly in South Wales – along with Northern Ireland and East Coast Scotland – was the desire to protect farming from being undercut by the lower standards of production in other countries. Farming – particularly sheep farming – was thought to be an important part of the Welsh economy, as well as integral to local communities and their values. Fear of Welsh farmers being undercut by cheap meat was also mentioned when participants reviewed the trading objectives of Australia who want to increase the volume of meat exports to the UK.

“Where I'm from is quite agricultural so I'd specifically be worried about [if we revert to WTO terms] lamb and beef which have absolutely massive tariffs with the WCO, I think it's, like, between 30 and 40%. Is it going to be a sustainable thing for Welsh farmers?”

South Wales

“It's not just food, it's peoples livelihoods”

South Wales

“People don't want lower quality food and people don't want farmers who in our communities at the end of the day, they're a big part of our communities, especially in more rural areas of Wales, don't want them being undercut and phased out.”

South Wales

Consumer Goods

Participants were introduced to cars and trade during workshop 3 (see appendices of main report) where they were shown a video which detailed how future trade deals could impact cars, which are the UK's biggest imported and exported good. Participants were also given a car summary sheet (see appendices of main report) in their workpacks providing further information on why trade deals matter when it comes to cars. After watching the video in their small groups, participants discussed what they thought were the most important trade implications for cars and why they are important. As a homework task following the workshop, participants watched a short video on trade and toiletries (see appendices), noting down the issues that they felt were most significant. The toiletries video showed Which?, the Cosmetic, Toiletry & Perfumery Association (CTPA), The European Consumer Organisation (BEUC) and the British Retail Consortium.

As with the discussions about food, Welsh participants felt strongly that existing standards for consumer goods should be maintained, and did not want to sacrifice this for more choice. They felt strongly that product safety – especially when it comes to vehicles and toiletries – should never be reduced through a trade deal. After learning about how standards can differ across countries, they thought that any trade deals made should only improve standards and negotiators certainly shouldn't risk a reduction in the current standards the UK has. Although participants wanted reasonable prices, they weren't prepared to sacrifice quality in order to achieve this, and felt there was little need for more choice of consumer goods in the UK.

“The overall consensus is most definitely safety standards and ensuring that whatever deals are agreed still continue to meet the same safety standards that UK consumers have come to rely upon.”

South Wales

When thinking about the prospect of changing standards, participants in South Wales reflected on how their consumer rights might be affected if standards were to change

and how this would alter the relationship consumers have with currently trusted and highly regarded brands.

“If the standard of the goods is not what you expect or what you receive, then what do you do? It’s a loss of money, of confidence in their products. It would mean I wouldn’t buy anything else.”

South Wales

There was also a degree of optimism from participants in South Wales, that new trade deals could provide an opportunity for the UK to create new, higher standards and regulate industries such as the cosmetic industry. Several participants thought about where UK standards have promoted safety in other countries, such as the regulation on the use of bull bars on UK vehicles over safety concerns for pedestrians involved in collisions.

“With new trade deals we have an opportunity to ‘clean up our act’.”

South Wales

Digital trade

For the reflection task following workshop 3, we asked participants to watch a video about the growing importance within modern trade agreements of digital trade, and asked for their thoughts on what stood out for them. The same video was shown in all five locations featuring Which?, various experts from The Department for Digital, Culture, Media and Sport (DCMS), and experts from the Open Rights Group. Participants were also given a hard copy summary sheet (see Appendices of main report) in their work packs that outlined: government ambitions for digital trade, the volume of digital communications being made daily in the UK, UK data privacy through the use of GDPR and the differences in consumer protection between countries. The sheet posed the question about key trade-offs in this area: *Do we reduce our regulations in order to trade digitally with countries with lower standards, possibly resulting in a risk of lower safe guards?*

During workshop 4, we revisited a shorter version of the digital trade video as a refresh before discussing more fully how participants felt the issues raised would impact on trade deals and them. Our discussions around digital trade were similar across all of our five locations, with our Welsh participants having comparable responses to participants in other parts of the UK.

Much of the conversation around digital trade focused on two specific consumer areas that really struck a chord with participants:

- (i) the protections of consumer data transferred across borders
- (ii) consumers' rights relating to online (and therefore cross border) shopping and online services.

This particular focus dominated deliberations because almost everyone recognised the trends of increased consumption of services online and of the growing popularity of internet enabled devices and apps which results in more sharing of data with businesses. While people had low awareness of the full spectrum of ways in which data is collected about them, and how that data may affect their consumer lives, they were acutely aware it is valuable to businesses across the globe. Participants largely focused on data protections and online consumer rights because for the first time, some of them had only realised how much weaker standards are in other countries, particularly in the USA.

Many participants were quite cautious about unconditionally pursuing more free flowing data as part of new free trade agreements. When discussing their willingness to reduce current data privacy legislation in order to access the benefits of increased digital trade, many wanted more information as they could not see any immediate direct benefits, or felt they had plenty of access to digital services and goods online already:

"I'd need some examples, I'd need to be sold. I want to know what can't we get already within our remit. What else is out there?"

South Wales

The general response from participants was that they valued the privacy and protections afforded to them online by the existing GDPR regime and didn't want to see their existing digital rights eroded as part of future trade deals.

"It should be easier to trade goods and services as well as having easier accessibility, but it has to be at the right price".

South Wales

"It's always a concern when providing your information anywhere, who could possibly get their hands on it so to have more protection built into any deals would be so beneficial, especially as we pretty much live our lives online now."

South Wales

"The most important thing to me as a consumer is data protection and sharing of personal data - this should not be compromised and the regulation should be maintained to keep consumer privacy."

South Wales

"Maintaining GDPR standards or equivalent, I think, is crucial, because it's just such a complex area and it's only going to get bigger in the future, and I think we probably underestimate just how big an impact it would have on our lives if we allow our data to be used as a commodity more than it currently is."

South Wales

The USA was particularly characterised by Government policies being subject to influence by corporate lobbies, allowing them to be freer with consumer data and make it harder for consumers to hold them to account.

"We have allowed ourselves to be at the mercy of incredibly powerful companies and lobbies, whose interests will win over those of the consumer... The starting point in negotiations should be what will have most benefit for citizens, not what will attract the biggest companies."

South Wales

"The one that disturbed me was giving big corporations like Amazon and eBay a licence to shirk their responsibility for what's being sold on their websites. It's very American, power to the corporations. I wouldn't be happy with that."

South Wales

Recommendations

The public dialogue commissioned by Which?, co-designed with Hopkins Van Mil, revealed important conclusions for consideration by those negotiating UK trade deals. They include the need to respect fundamental issues such as consumer trust and not to undermine this with an over-simplification of the consumer view. Conclusions from the deliberative process are summarised in this section.

- The National Trade Conversation demonstrates that **the UK consumer is a complex individual with a range of perspectives. It is inadequate to assume a simplistic view of the consumer, who is entirely focused on choice and price.** Consumers are affected by every aspect of the trade deals under negotiation. Their priorities take into account choice and price, but in the context of how these choices affect the environment, health, employment and fair trade.
- **Consumers need to trust that any products or services they buy have health and safety standards in place,** so that they don't have to take time and energy in scrutinising everything they buy.
- **The current regulatory framework is seen as part of the UK's reputation for quality products and services** and in line with our national characteristics of striving for high standards. Participants asked for the trade negotiations to build on this strong regulatory platform and for it to evolve over time as the UK makes new, tailor made, trade relationships.
- One of the underlying principles guiding discussions was for **UK government to apply a long term view to its trade negotiations and avoid quickly negotiated trade deals which have short-term gains, but longer-term harms for the health of the nation and the planet.**
- **The environment was seen time and time again by participants as a fundamental plank of any trade deal.** Participants saw the strong link between trade and the environment and wanted UK trade deals to help deliver the UK's net zero 2050 climate change targets.
- With the UK now negotiating its own trade deals, **consumers expect government to involve them through clear communication about what could change and the evidence and expertise guiding our negating goals.**
- **Welsh consumers need reassurance that the UK government takes their interests and concerns into account through meaningful involvement.**

The NTC also provides important guidance in terms of the policy approach that the government should take, including the opportunities it should be promoting and red lines it should be drawing. Below are the recommendations Which? has for the terms of future trade deals.

Recommendations

- The government must ensure that there is no wriggle room in the trade deals that it is negotiating that would weaken the food standards consumers can expect. The government should instead take the opportunity to work with trading partners to improve consumer protections and standards – whether for safety, animal welfare or wider sustainability and based on the precautionary principle. It is positive that the Trade and Agriculture Commission will have a role in scrutinising deals – but it needs to have consumer interest representation to do this effectively.
- This approach is also needed for standards for consumer products more generally. Very different systems can exist in other countries for regulation of consumer products – as well as different systems for setting standards and ensuring compliance with them.
- The UK must ensure that trade deals uphold consumer protections and that any move to alignment or recognition of the other countries' standards, or how compliance with our standards is assessed, will not undermine this.
- The government must ensure that provisions relating to digital trade and data flows within the trade deals it is negotiating uphold the protections that consumers can expect under the current GDPR regime.
- More generally, the UK should look to promote consumer rights in digital trade and enhance regulatory cooperation on cross-border trade with its trading partners. It should also ensure that its ability to enhance legislation on online harms, in line with the wider government agenda to place greater responsibilities

on online platforms for the safety and accuracy of their content, is not undermined by new trade deals.

- The UK should play a leading role in placing environmental considerations at the heart of the trade deals it is negotiating, including through a specific chapter that goes beyond the sustainable development chapter that has been included in EU trade deals the UK has been party to. Trade policy needs to be closely aligned with the UK's international, as well as domestic, commitments to tackle climate change as well as with sustainable production and consumption more generally.
- Nothing included within trade deals, including on technical barriers to trade, should dilute the UK's existing standards or inhibit its ability to legislate or otherwise set standards to help reduce the environmental impact of goods or services or inform consumers about it.
- The government needs to ensure a transparent approach to trade negotiations that goes beyond the high level objectives that it has published to date and delivers tangible benefits for people, wherever they live in the country – and as consumers as well as citizens.
- Advisory bodies set up to inform the government's approach need to be drawn from across the UK, but also from different interest groups, including consumer representatives. To date, this has only been achieved to a limited extent. The Strategic Trade Advisory Group (STAG) has representation from a broad range of interests. But the sector specific Trade Advisory Groups (TAGs) which advise the government on an on-going basis as the trade deal negotiation rounds take place currently only include business representatives.
- The government should build on the NTC ensuring that it engages more people in discussions about its priorities for trade policy and trade deals. This includes its immediate priorities as well as its wider ambitions, such as the CPTPP and longer-term, India, the Gulf and Latin America.

- The government should show its commitment to promoting consumer interests in trade deals by negotiating for a specific consumer chapter within trade deals. This would set out key guiding principles for promotion of consumer rights and protections, reinforcing provisions within specific chapters that have implications for consumers, including health protection, technical regulation, competition policy and sustainable development.

Appendix

External links

All outputs of the National Trade Conversation can be found [here](#). This includes the full research report, the appendices to the full report and the policy paper.

Our microsite on trade can be found [here](#), which sets out all of Which?'s work on trade and our response to new trade agreements.

Thank you!

Finally, we would like to thank all 21 participants in South Wales for their enthusiastic contributions to the National Trade Conversation.

