

Witness Name:

The Rt Hon. Elizabeth Truss

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THE INDEPENDENT UK COVID-19 INQUIRY

SECOND WITNESS STATEMENT OF THE RT HON ELIZABETH TRUSS

Contents

Section 1: Introduction -----	3
Section 2: Background -----	5
Section 3: Roles and Responsibilities During the Pandemic -----	6
<i>Positions held</i>	6
<i>Location during the pandemic</i>	6
<i>Primary focus during the pandemic</i>	6
<i>HMG decision making and key meetings</i>	7
<i>Departmental meetings</i>	9
<i>Key decisions</i>	9
<i>The Department's response to the pandemic and ministerial delegation</i>	9
Section 4: Role in international sourcing and supply chains -----	14
<i>Overview of role and responsibilities</i>	14
<i>The JACT and the GSSEP</i>	15
<i>Project DEFEND</i>	17
<i>International engagement</i>	18
<i>Ministerial Engagement Plan</i>	19
<i>The GSSEP Market Engagement Plan</i>	20
<i>My own critical reflections on global supply chains</i>	21
Section 5: International Trade Policy -----	22
<i>Consideration of tariff liberalisation</i>	22
<i>Consideration of ODA</i>	22
<i>Prosperity Fund</i>	23
<i>Bilateral and multilateral trade agreements</i>	23
<i>International initiatives</i>	23
<i>Trade Against Pandemics Initiative</i>	24
<i>My own critical reflections on long term domestic and international trade policies</i>	25
Section 6: Ayanda Capital Ltd -----	27
Section 7: Critical Reflections -----	28
<i>Procurement and national security</i>	28
<i>Industrial strategy for emergencies such as pandemics and long term policy</i>	28
<i>Lessons Learned</i>	29
Statement of Truth -----	30
Annex A: Cross-departmental Meetings -----	31
Annex B: Acronyms used within this Statement -----	32
Annex C: Exhibit Schedule -----	33

Section 1: Introduction

I, the Rt Hon Elizabeth Truss, make this statement in my personal capacity.

- 1.1. I am providing this written statement in response to the UK Covid-19 Inquiry's Rule 9 request dated 27 November 2024 (the Rule 9 Request). This statement addresses my role and involvement in the sourcing and procurement of key healthcare equipment and supplies by HM Government (HMG).
- 1.2. This statement has been prepared based on my personal recollections, as well as a selection of emails and documents that have been made available to me. The personal views and reflections expressed are my own. I have been assisted by officials at the Department for Business and Trade (**DBT**), representing the former Department for International Trade (**DIT**), and by reference to documents made available to me by them.
- 1.3. A corporate witness statement has been provided to the Inquiry by Andrew Mitchell on behalf of the former DIT ("the DIT corporate statement"). As there are a number of matters canvassed in this statement that are covered in more detail in the DIT corporate statement, to avoid duplication, I will refer to the DIT corporate statement.
- 1.4. In this statement, I address the following matters:
 - a) Section 2: My background;
 - b) Section 3: My roles and responsibilities during the pandemic as the Secretary of State for International Trade, ministerial delegation and HMG decision making and key meetings;
 - c) Section 4: My roles and responsibilities in the sourcing and strategy work undertaken by DIT to assist the Department of Health and Social Care (**DHSC**) with procurement of key healthcare supplies and equipment;
 - d) Section 5: Decisions made by me on international trade policy which relate to the scope of Module 5 and my involvement with international initiatives;
 - e) Section 6: The Ayanda Capital Limited contract; and
 - f) Section 7: My personal views, critical reflections and lessons learned in relation to matters relevant to Module 5.
- 1.5. I have exhibited documents supporting, illustrating or providing context for matters addressed in this statement or which will otherwise assist the Inquiry in understanding the matters addressed in it.
- 1.6. To summarise my role in relation to matters relevant to Module 5:

- a) Before, during and after the pandemic, DHSC was responsible for designing and implementing a strategy for the procurement of medical equipment and supplies. DIT's role was to support DHSC through international sourcing of medical supplies by the identification of leads for new international suppliers of PPE, using the network of DIT staff around the world;
 - b) Accordingly, I did not have direct involvement with the key decision making regarding the procurement of healthcare supplies and equipment. However, my role in the sourcing and strategy work undertaken by DIT to assist DHSC with the procurement of key healthcare supplies and equipment is discussed further in Section 3:00 and Section 4:;
 - c) DIT supplied personnel who worked jointly with other departments e.g. on ventilator procurement. It was the Foreign Secretary and First Secretary of State, the Rt Hon Dominic Raab MP as Chair of the International Ministerial Implementation Group (**IMIG**), who led on international aspects of the response;
 - d) In early April 2020, I appointed a Minister within DIT to take dedicated responsibility for international procurement of medical supplies and other critical products. The Rt Hon Greg Hands held this role; as noted in his appointment letter, he had been supporting DIT's efforts in respect of the Covid-19 response through the international procurement of medical supplies [ET02/01 INQ000534319]. Later the Rt Hon Ranil Jayawardena took over this role from Mr Hands.
- 1.7. My primary direct involvement in efforts to ensure that the UK had access to global supplies of key healthcare supplies was through engagement with international counterparts to unblock supplies and keep trade flowing. This is discussed in further detail at paragraphs 4.19 to 4.23 below.

Section 2: Background

- 2.1. I have been asked to set out the positions that I held prior to the pandemic, in the period 1 January 2018 to 31 December 2019.
- 2.2. I was the Chief Secretary to the Treasury from June 2017 until July 2019.
- 2.3. On 24 July 2019, I was appointed Secretary of State for International Trade and continued in this role during the pandemic until 15 September 2021. During this period, I was also the President of the Board of Trade (**BoT**).
- 2.4. In addition, I held the position of Minister for Women and Equalities from January 2020 until February 2022.

Section 3: Roles and Responsibilities During the Pandemic

Positions held

- 3.1. I have been asked to set out my roles and responsibilities during the pandemic for the period 1 January 2020 to 28 June 2022.
- 3.2. I was the Secretary of State for International Trade at the onset of the pandemic and continued in this role until 15 September 2021. Details about my roles and responsibilities are set out below and in Section 4:
- 3.3. I was the Secretary of State for Foreign, Commonwealth and Development Affairs (Foreign Secretary) from 15 September 2021 to 28 June 2022. By this time the urgent phase of international procurement of PPE and medical equipment had ended. I do not recall having any substantial involvement in international procurement of PPE and medical supplies during my tenure as Foreign Secretary.

Location during the pandemic

- 3.4. I have been asked where I was located during the pandemic and how this impacted my ability to contribute to decision making in relation to the international procurement of key healthcare equipment and supplies. During the pandemic I was mainly based in London. When Covid-19 restrictions permitted, I also spent periods of time at my home in my Norfolk constituency. Where appropriate, I attended meetings and carried out my role remotely (online), while other aspects of my role required me to attend meetings in person.
- 3.5. Throughout the pandemic as part of my role as Secretary of State for International Trade, and subsequently as Foreign Secretary, I undertook frequent overseas travel to secure trade deals and later to conduct foreign policy.
- 3.6. My location did not affect my ability to carry out my role and responsibilities as detailed in this witness statement.

Primary focus during the pandemic

- 3.7. As Secretary of State for International Trade I had overall responsibility for the Department's priority outcomes. A key Departmental objective during the period 1 January 2020 to June 2022 was to maintain trade continuity during the EU Exit transition period. This included securing free trade agreements and reducing market access barriers, encouraging economic growth and supporting UK businesses to take advantage of trade opportunities arising from free trade agreements. I continued this work throughout the pandemic, with dozens of new free trade agreements being agreed during 2020 into 2022. I was not on the core Covid-19 committees (see paragraph 3.10 below), and I was not asked to lead on Covid-19 related matters,

including those within the scope of Module 5. The Prime Minister was clear that ensuring trade continuity whilst the country left the EU was my priority.

HMG decision making and key meetings

- 3.8. As the Inquiry will be aware, from January 2020, the Cabinet and Cabinet committees met frequently to discuss and make decisions regarding the response to the pandemic. In March 2020, the Prime Minister established new structures to lead the Government's pandemic response. In addition to ministerial Cabinet Office Briefing Room (**COBR (M)**) meetings, four new Ministerial Implementation Groups (**MIGs**) were established:
- a) The Health Ministerial Implementation Group (**HMIG**), chaired by the Rt Hon Matt Hancock (Health Secretary);
 - b) The International Ministerial Implementation Group (**IMIG**), chaired by Mr Raab;
 - c) The Economic and Business Response Implementation Group (**EBRIG**), chaired by the Rt Hon Rishi Sunak (the then Chancellor of the Exchequer); and
 - d) The General Public Sector Ministerial Implementation Group (**GPSMIG**), chaired by the Rt Hon Michael Gove (Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office).
- 3.9. DIT was a member of the IMIG and EBRIG. The Terms of Reference of the IMIG and EBRIG are provided at [ET02/02 INQ000493786] and [ET02/03 INQ000489557].
- 3.10. As the Inquiry will know, by June 2020, the four MIGs were replaced by two Cabinet Committees: the Covid Operations Committee (**Covid-O**), which was usually chaired by Mr Gove, and the Covid Strategy Committee (**Covid-S**), which was usually chaired by the Prime Minister.
- 3.11. The MIGs and Cabinet Committees facilitated key decision making during the pandemic, including in relation to matters within the scope of Module 5.
- 3.12. Annex A of this statement sets out the key cross-departmental meetings I attended during the pandemic. This is not an exhaustive list, rather it records the cross-departmental meetings that I consider relevant to the scope of Module 5, including the MIGs and Cabinet Committees referred to above. These meetings have been identified from a review of DBT and Cabinet Office records.
- 3.13. I was listed as a "core" member of both IMIG and EBRIG in their initial Terms of Reference [ET02/02 INQ000493786] and [ET02/03 INQ000489557].
- 3.14. As Secretary of State for International Trade, my main focus was on delivering the Government's priorities of maintaining the free flow of goods and securing new free trade agreements. I did not hold a formal role in the procurement of key healthcare

equipment and medical supplies. DIT attendance at Ministerial level committees (the MIGs and later Covid-19 committees) was split between me and the other Ministers in the Department. In the initial crisis stage of the pandemic, I would have tended to attend more such meetings myself, with a natural gradual delegation of attendance to the other DIT Ministers, particularly following the formal allocation of the relevant Ministerial responsibilities to Mr Hands and then Mr Jayawardana. I would naturally have wanted to ensure that the Department was providing appropriate support to DHSC and Cabinet Office who had the lead responsibilities for procurement. Beyond this, however, to the best of my recollection, my own interventions and focus would have been on tackling the additional threat that Covid-19 posed to wider free trade, and in particular seeking to influence at the G20 level to limit Governments imposing additional trade restrictions due to Covid-19.

3.15. Cross-departmental meetings that I attended that are potentially relevant to Module 5 included:

- a) The IMIG meeting on 25 March 2020 which included a discussion about international healthcare supply chains. At this meeting I highlighted my engagement with international partners to keep the trade of health products flowing and unblock supplies, and the work being undertaken at G20 level (discussed at paragraphs 5.9 and 5.11 below) [ET02/04 INQ000534306].
- b) The IMIG meeting on 31 March 2020 during which I flagged the need for the “*joint taskforce*” to have “*clarification from DHSC what PPE priorities should be*” [ET02/05 INQ000534313]. The “taskforce” referred to is the Joint Assistance Coordination Team (**JACT**), see paragraph 4.2.a)4.2 below. I asked DfT air freight logistics specialists to get in touch with the JACT, and I drew the group’s attention to a G20 Trade Ministers meeting the previous day. The decisions and ‘action points’ from the IMIG meeting included: DHSC and DIT to clarify the supply chain situation and criticality on paracetamol, and DHSC to provide clear steers on medical equipment specifications to the JACT so that they could provide clarity to posts on what they should be procuring [ET02/06 INQ000534322].
- c) On 8 April 2020 I attended the IMIG and advised that the Indian government had agreed to release shipments of paracetamol to the UK (paracetamol supply issues are discussed below at paragraph 4.20), and that the Department had assisted to secure 2,000 test kits from Korea for the Caymans as part of discussions about providing support to overseas territories [ET02/07 INQ000534321]; and [ET02/08 INQ000534320].

- d) On 23 April 2020, I attended an EBRIG meeting along with Darren Tierney (Director General at DIT). The meeting included a discussion about 'safer workplaces'. In this context it was noted that the Department would require an early indication of what PPE would be required both for health workers and wider business so it could assist with procurement via international supply chains [ET02/09 INQ000534326].

Departmental meetings

- 3.16. In addition to attendance at the cross-departmental meetings identified above, during the pandemic I also chaired departmental meetings to discuss a range of Covid-19 related issues. From 30 March 2020, daily economic calls and weekly ministers' meetings were replaced by a daily 0900 call with DIT Ministers and others, including the Permanent Secretary and Andrew Mitchell. The daily DIT ministerial call is discussed in further detail below at paragraph 3.29.

Key decisions

- 3.17. I have been asked to set out a chronology of the key decisions which I made, or to which I made a material contribution, in relation to the procurement and distribution of key healthcare equipment and supplies. As set out in the DIT corporate statement, during the pandemic, DHSC led the procurement of medical supplies and equipment and were the contracting authority. DIT's role (jointly with the FCO) was to support DHSC through the international sourcing of medical supplies. Mr Raab led on international aspects of HMG's Covid-19 response as the Chair of the IMIG and represented DIT's work on international sourcing at IMIG and No 10 strategy meetings. Further, as set out below at paragraph 4.11, the JACT and the Global Strategic and Sourcing Engagement Project (**GSSEP**) reported principally to Mr Raab as First Secretary of State. I had an oversight role over the work undertaken by the Department to assist DHSC. I delegated the issue of supporting international sourcing and procurement of medical supplies and other critical products to junior ministers (see above at paragraph 1.6.c) and received updates and briefings as and when required. My own primary role in supporting sourcing and procurement was making operational calls to international counterparts to unblock supplies and keep trade flowing (further detail at paragraphs 4.19 to 4.23 below). Against that background, I do not consider that any key decisions in relation to the procurement and distribution of key healthcare equipment and supplies fell to me. DIT acted in a supporting capacity to which I and the other relevant Ministers in the Department contributed.

The Department's response to the pandemic and ministerial delegation

- 3.18. In February 2020, DIT set up a Departmental Operations Centre (**DOC**) to provide an additional layer of coordination as the global implications of the pandemic began to

emerge. The DOC was the Department's single point of contact for internal teams and other government departments (**OGDs**) requiring support for the pandemic response. It also managed the Department's involvement in cross-Whitehall meetings such as the MIGs. A draft organogram outlining the DOC's structure, was circulated on 3 March 2020 [ET02/10 INQ000489545]. Paragraphs 2.28 to 2.36 of the DIT corporate statement provide further information on the DOC.

- 3.19. In late February 2020, the Rt Hon Graham Stuart MP was appointed junior minister for the Covid-19 pandemic response within the Department and was assigned ministerial oversight of the DOC.
- 3.20. On 28 February 2020, it was agreed with my office that Mr Stuart would attend and represent DIT at COBR (M) meetings to ensure that the UK's business response and interests were represented [ET02/11 INQ000527636]. Invitations to COBR(M) meetings were extended to departments who had an agenda item, though attendance could be requested if a department had a strong appetite for engagement on a particular agenda item [ET02/12 INQ000527641]. As I understand it, this approach to departmental attendance at COBR(M) meetings remained in place throughout the pandemic [ET02/13 INQ000527644]. On 9 March 2020, DOC officials sent a submission to me which recommended that Mr Stuart be formally appointed to attend future COBR(M) meetings in his capacity as DIT's lead minister for the Covid-19 response [ET02/14 INQ000527640]. I approved the submission on 10 March 2020 [ET02/15 INQ000534298].
- 3.21. Although I was not required to attend all COBR(M) meetings, to the best of my recollection I attended one such meeting on behalf of DIT on 12 March 2020 [ET02/16 INQ000056221]. I cannot recall exactly why I was asked to attend this meeting; the PM probably wanted all Cabinet Ministers to attend. There were no actions or decisions for DIT arising out of that meeting.
- 3.22. On 16 March 2020, Sir Mark Sedwill, Cabinet Secretary, wrote to the Heads of Departments and stated that all departments should prioritise the pandemic response alongside any essential operational business [ET02/17 INQ000492370]. Secretaries of State and Permanent Secretaries were asked to review departmental capacity and recommend what work within their departments should be postponed or reprioritised. The Department responded on 22 March 2020, and I approved that response [ET02/18 INQ000493769], [ET02/19 INQ000534301]. DIT's response stated that it would refocus its work around the following three priorities, while other activity was paused or rephased:

- a) The immediate Covid-19 response, working with BEIS, HM Treasury (**HMT**) and the Foreign and Commonwealth Office (**FCO**)¹ overseas;
 - b) Ongoing business-critical work such as export licensing and essential activity on trade policy; and
 - c) Strategic work needed to deliver an ambitious trade-related post-crisis economic stimulus package.
- 3.23. On 21 March 2020, I provided an update to the Chancellor on the Department's work to support efforts to manage the impact of the pandemic, including an update on its efforts to source ventilators, unblock supplies of key medical products, and engagement with international counterparts [ET02/20 INQ000527845] [ET02/21 INQ000527651].
- 3.24. On 23 March 2020, my office notified ministerial offices that I was intending to reshuffle ministerial responsibilities in respect of Covid-19 responsibilities and required support and ministerial attendance on the various HMG committees. This re-shuffle of ministerial responsibilities had the effect of dissolving the position of the Covid-19 lead minister within DIT which had previously been held by Mr Stuart. Instead, I allocated ministers to specific committees which covered different areas of the Covid-19 response. I requested that Mr Stuart and Lord Grimstone of Boscobel assist with the EBRIG to lead on exports and investors respectively. I was keen for Mr Hands, in his capacity as Minister of State for Trade Policy, to work closely with the HMIG and DHSC, and on the trade issues surrounding medical supply chains and the export/import of vital medical products [ET02/22 INQ000527652]. On the same day I requested that Mr Hands attend the HMIG moving forward [ET02/23 INQ000527657].
- 3.25. On 8 April 2020, I formally appointed Mr Hands as the Minister responsible for international procurement of medical supplies and other critical products [ET02/01 INQ000534319]. Within DIT, he was the Minister responsible for international procurement of medical supplies and other critical products and had ministerial oversight of DIT's contribution to the JACT (further detail about the JACT is at paragraphs 4.2 to 4.11). Mr Hands' main responsibilities included: overseeing the JACT intelligence and procurement activity; developing engagement and lobbying strategies for export restrictions and barriers; and continuously assessing priorities and the distribution of effort of both specialist and non-specialist resources to meet Government requirements.

¹ The FCO was a Ministerial Department from October 1968 to September 2020 when it then merged with the Department for International Development. It is now known as the Foreign, Commonwealth and Development Office (FCDO).

- 3.26. Mr Hands' role also included working closely with OGD ministers (primarily DHSC and FCO) and attendance at MIGs and other ministerial forums. As noted in Mr Hands' appointment letter of 8 April 2020, prior to that point, he had already been working "*to support the department's efforts to support the Covid-19 response through the international procurement of medical supplies*". Mr Hands was already attending the HMIG and working closely with DHSC. For example, at my request, he attended the IMIG meeting on 30 March 2020 chaired by the Foreign Secretary, for which ventilator procurement was an agenda item [ET02/24 INQ000534310]. In an email chain in advance of that IMIG meeting, I commented (via my Senior Private Secretary) that DIT had been working jointly with other departments on ventilator procurement and asked that this be reflected on the agenda [ET02/25 INQ000534309]. As this email chain illustrates, while I reviewed the agenda for IMIGs in advance and provided high-level input, including for Mr Hands' speaking note, Mr Hands was briefed on the detail and sought "*...information on the exact numbers and location of ventilators*" ahead of the meeting.
- 3.27. For a short period, between late April 2020, until his resignation on 4 May 2020, the Rt Hon Conor Burns was appointed to lead ministerial engagement with high priority markets for medical supplies.
- 3.28. On 5 May 2020, the Mr Jayawardena was appointed Minister for International Trade and assumed ministerial responsibility from Mr Hands for international medical procurement and the work of the GSSEP. From 4 May 2020, Mr Jayawardena also assumed responsibility for ministerial engagement with high priority markets from Mr Burns. On 6 May 2020, my office confirmed the reshuffle of Ministerial portfolios [ET02/26 INQ000534330] and [ET02/27 INQ000534331]. Following these changes to Ministerial portfolios, Mr Hands became responsible for the Trade Bill, climate change and engagement with the devolved administrations.
- 3.29. On my instructions, from 30 March 2020, and throughout the pandemic, I held a daily call with DIT ministers, the Permanent Secretary and Directors General to discuss key issues relating to the Department's management of Covid-19 [ET02/23 INQ000527657] and other Department business. The meetings covered updates from ministers in relation to their delegated areas, including on procurement, and updates on specific actions relating to the various cabinet committees and ministerial groups [ET02/28 DIT000695271]. Example agendas are provided at [ET02/29 INQ000534308], [ET02/30 INQ000534318], [ET02/31 INQ000534336]. In the context of working from home, the daily calls were also an opportunity for senior officials to keep in touch. To the best of my recollection, the primary areas of focus of the daily DIT ministerial calls, in line with the Department's priorities during this period, were

matters relating to trade and securing free trade agreements, as reflected in the following illustrative examples of the action points from the daily DIT ministerial calls:

- a) On 3 April 2020 I requested that the Department prepare a paper on various issues including the UK's future trade policy, the resilience of UK supply chains, the extent to which we were reliant on one or a small number of producers and the prospect of onshoring in the wake of Covid-19. There was also an update regarding business engagement. Actions from this meeting, relevant to the scope of Module 5, included Mr Hands to engage with DHSC regarding the HMIG and Andrew Mitchell to lead scenario planning for the demand and supply of PPE and medical supplies [ET02/32 INQ000534316];
- b) On 16 April 2020 there was a discussion regarding post-Covid-19 recovery, and an action was agreed to identify the top 10 export, import and investment opportunities. Ministerial engagement and lobbying to unblock supplies of key medical supplies was also discussed [ET02/33 DIT000048466]; and
- c) On 4 May 2020, there was a discussion regarding US investment in the UK and ministerial engagement with US investors and exporters [ET02/34 INQ000534328].

3.30. At the daily ministerial call on 31 March 2020, and in line with the Department's priority outcomes, I stressed the importance of Covid-19 business engagement with importers and exporters for all DIT ministers. I was eager that DIT ministers hold regular calls with exporters and importers to discuss the impacts of Covid-19 on their respective businesses and sectors; see the actions at [ET02/35 INQ000527658] and the ministerial business engagement plan from April to November 2020 at [ET02/36 INQ000527861].

3.31. As explained above, I delegated the area of international procurement of key medical supplies to Mr Hands, and subsequently to Mr Jayawardena, in their roles as Minister for International Trade. While I received updates from ministers at the daily DIT ministerial meetings as to the progress of procurement, and the work being undertaken by teams within the Department, to the best of my recollection I did not make a material contribution to decisions made by the delegated minister regarding matters within the scope of Module 5.

Section 4: Role in international sourcing and supply chains

Overview of role and responsibilities

- 4.1. In the Rule 9 Request, I am asked several questions regarding my involvement in the global procurement of healthcare equipment and supplies. In summary, I did not have direct involvement with the key policy decision making concerning the procurement of healthcare supplies and equipment. During the pandemic, DHSC was responsible for designing and implementing a strategy for the procurement of medical equipment and supplies. This included commercial strategy, procurement, purchasing of supplies and management of supplier relationships.
- 4.2. As identified at paragraph 2.44 of the DIT corporate statement, the Department's role in relation to the pandemic response was to support the international sourcing of medical supplies by utilising the network of DIT staff around the world to identify possible new international suppliers of PPE. At the same time, from April 2020 to March 2021 the Department led on broader HMG supply chain resilience work through Project DEFEND, which undertook a strategic review of critical supply chains. The Department's work was led by the following DIT teams:
 - a) The JACT, co-led with FCO, acted as a coordination point within Government for DIT and FCO staff based overseas tasked with identifying potential suppliers of medical equipment and supplies in response to DHSC requirements. They were supported by DIT's Healthcare, Life Sciences and Bioeconomy team (**HLSB**). The JACT also assisted in addressing logistical issues with supplies overseas and coordinated work, for example, lobbying foreign governments on potential trade restrictions in respect of medical supplies to the UK;
 - b) Existing departmental staff based in embassies, high commissions and consulates around the world were tasked with investigating potential sources of PPE and medical equipment in support of DHSC;
 - c) In response to the lessons learned from the first month of the crisis and the creation of new structures within Government, the role of the JACT was reviewed and a new approach adopted. The JACT was remodelled on 27 April 2020 as a new body, the GSSEP, which took over responsibility for the Government's international sourcing strategy. It continued the international sourcing work of the JACT – the existing JACT team was brought into the GSSEP structure – now under the new cross-government PPE Taskforce, and took on new work to develop sourcing strategies with priority international markets, identify new strategic suppliers for DHSC, and coordinate lobbying efforts to unblock trade restrictions; and

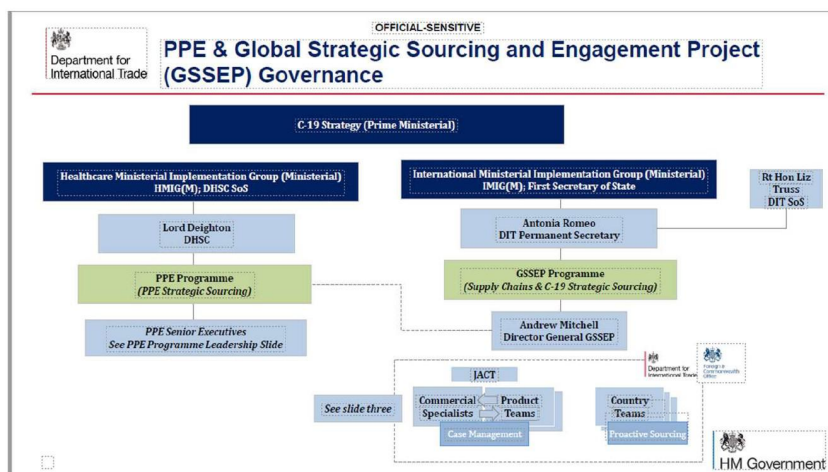
- d) The Department's existing HLSB team. At the beginning of the pandemic, HLSB triaged offers from existing network contacts, issued PPE export authorisations alongside DHSC, and unblocked trade restrictions. Some officials from this team supported the work of the GSSEP.
- 4.3. I did not have a formal role in the direction of work, or decision making, regarding the sourcing of healthcare equipment and supplies. However, as Secretary of State for International Trade I was kept informed of the progress of Departmental work, holding daily meetings with ministers and others from 30 March 2020, which continued throughout the pandemic. Please see paragraphs 3.16 and 3.29, above. As explained above at paragraph 1.6.c), I also appointed a dedicated minister within DIT to be responsible for the Department's involvement in international procurement, who supported the cross-governmental efforts.
- 4.4. Whilst I was briefed and updated by the relevant teams on the work being undertaken, and progress of, international sourcing, and while DIT supplied personnel who worked jointly with other departments (e.g. on ventilator procurement), the Foreign Secretary / First Secretary of State led on international aspects of the response as IMIG Chair, including at No 10 strategy meetings. In this capacity, and prior to the launch of the PPE Taskforce under Lord Paul Deighton on 27 April 2020, the Foreign Secretary represented DIT's work on international sourcing at those meetings, supported as necessary by the DIT Permanent Secretary, Dame Antonio Romeo. Therefore, while I attended some IMIG meetings (see Annex A to this statement), I was not leading on international sourcing and supply chain issues.
- 4.5. Andrew Mitchell was the Departmental lead of the JACT, and subsequently led the GSSEP, between March and August 2020. From August 2020, Andrew Mitchell led Project DEFEND as Director General. The DIT Permanent Secretary was responsible for overseeing Project DEFEND from its inception until her departure from the Department in January 2021.
- 4.6. I had no role in building resilience in domestic manufacturing, nor in work on domestic manufacturing generally, including engagement with domestic industry. I had no role in the work undertaken to procure raw materials.

The JACT and the GSSEP

- 4.7. On 28 March 2020, DIT established the JACT jointly with FCO. As set out above, the JACT was set up to support the sourcing of medical supplies in overseas markets and utilised DIT's staff in overseas posts to identify potential supply sources based on set requirements. Details were then passed onto DHSC. DIT and FCO chaired daily

meetings of the JACT and issued a joint daily situation report (**SitRep**) tracking sourcing efforts and actions required to unblock orders.

- 4.8. On or around 31 March 2020, following a discussion with Andrew Mitchell and Richard Burn (HM Trade Commissioner for China, DIT) I requested that the Permanent Secretary and I be sent the SitRep. For the purposes of tracking progress at ministerial meetings, I also requested that the updates feature all health products we were sourcing i.e. PPE, along with source country and global demand [ET02/37 DIT000679242]. Example Sitreps are provided at [ET02/38 DIT000037362], [ET02/39 DIT000160233], and [ET02/40 INQ000510447].
- 4.9. The SitRep referenced priority actions including cases that required intervention, whether by posts or at ministerial level, to seek to unblock problems in the relevant supply chain. Paragraphs 4.19 to 4.23 below provide further details on my engagement with my international counterparts to unblock supplies of key medical products and keep trade flowing.
- 4.10. At the JACT resourcing meeting on 4 April 2020, it was noted that additional senior support was needed to assist Andrew Mitchell [ET02/41 INQ000534317]. Mr Hands was already attending the HMIG and working closely with DHSC. He was viewed as the most appropriate minister for the role. It was agreed that formal appointment would be coordinated with my office. I have addressed at paragraph 3.25 above the formal appointment that followed.
- 4.11. As the JACT transitioned into the GSSEP, I continued to receive procurement updates, please see [ET02/42 INQ000510427] by way of example. In its original design, the GSSEP Programme Board reported to the DIT Permanent Secretary. However, the Permanent Secretary's principal reporting line on this project was to Mr Raab as First Secretary of State, while keeping me informed, as illustrated in the organogram below [ET02/43 INQ000493987].



- 4.12. As Secretary for State, I approved the financial governance arrangements associated with the GSSEP and Project DEFEND [ET02/44 INQ000496622]. On 11 August 2020, I retrospectively approved the Departmental consultancy spend for the first stages of the GSSEP and Project DEFEND. Retrospective approval was required as both projects were set up rapidly and as high priority. See details at [ET02/45 INQ000496646] and [ET02/46 INQ000492588]. On 20 November 2020, I approved the final consultancy spend to support Project DEFEND's objectives for the 2020/2021 financial year [ET02/47 INQ000534347] and [ET02/48 INQ000534349].
- 4.13. The final GSSEP SitRep was issued on 28 July 2020 [ET02/49 INQ000510300]. The GSSEP transitioned into Project DEFEND the following week.

Project DEFEND

- 4.14. As set out at paragraph 2.50 of the DIT corporate statement, on 25 April 2020, DIT was asked to set up and lead a cross-government project on supply chain resilience for all Category One products, excluding food. Category One products are those considered critical to preservation of human or animal welfare and the national security for the UK. This work was intended as a strategic project to ensure future resilience of critical supply chains. It was not part of the immediate Covid-19 procurement effort for PPE or other critical products. Project DEFEND was launched on 27 April 2020. It was led by the DIT Permanent Secretary with support from officials in DIT. It answered to the Prime Minister, who delegated the responsibility to the First Secretary of State, and Cabinet Secretary. Project DEFEND's work was overseen by a Steering Committee from across government which was initially chaired by the DIT Permanent Secretary, and later by Andrew Mitchell as Director General.
- 4.15. The supply chains considered relevant to Module 5 are PPE, Covid-19 testing equipment, hand-sanitiser and clinical waste disposal, and those supply chains for medicines and consumables provided for treatment within the ICU and for Covid-19. DHSC was responsible for these supply chains, and led the relevant Project DEFEND work strand as part of the DIT-coordinated overall programme. DIT coordinated the project and designed the framework for a future strategic approach to supply chain resilience. Further information on Project DEFEND can be found in Section 11 of the DIT corporate statement.
- 4.16. A Ministerial Small Group (the **Project DEFEND Ministerial Small Group**) was set up with senior ministers appointed to act as the HMG decision making body on supply chain resilience. On 2 July 2020 the Project DEFEND Ministerial Small Group, chaired by the First Secretary of State, met for the first time and agreed its Terms of Reference [ET02/50 INQ000489761]. It was attended by the DIT Permanent Secretary, Andrew Mitchell and me. Of the ten meetings of this group, I attended the first and third

meetings, with other DIT Ministers attending the other meetings. The Project DEFEND Ministerial Small Group meetings which I attended are included in Annex A, although the third meeting did not address issues relevant to Module 5.

- 4.17. In a broadly similar arrangement to GSSEP, for Project DEFEND DIT officials were ultimately reporting to Mr Raab as First Secretary of State. Save in the capacity of attendance at the Project Defend Ministerial Small Group chaired by Mr Raab, I had no formal responsibility for Project DEFEND but received updates and briefings from the team as an interested party. Provided that I was kept appropriately informed, I had no difficulty with these cross-Departmental arrangements. It promoted efficiency, and clear accountability, to have a clearly demarcated Ministerial lead for this project.
- 4.18. The first weekly Project DEFEND update was circulated on 4 May 2020 [ET02/51 INQ000534329]. On 8 May 2020, I provided comment on the Project DEFEND slide pack for the First Secretary of State. I asked that we be clear that signing new free trade agreements was a potential mitigation to diversifying supply chains and other tools, such as tariffs [ET02/52 INQ000534333]. The Permanent Secretary provided updates on Project DEFEND at the daily DIT ministerial calls. For example, please see [ET02/53 INQ000534335] and [ET02/31 INQ000534336].

International engagement

- 4.19. My primary involvement in efforts to ensure that the UK had access to global supplies of key healthcare supplies was through engagement with international counterparts to unblock supplies and keep trade flowing.
- 4.20. On or about 3 March 2020, the Indian Government advised UK company Perrigo that it was placing restrictions on the export of certain items to the UK, including paracetamol. Perrigo was responsible for a significant portion of the UK's supply of paracetamol, which it sourced from India. Perrigo sought to work with DHSC to try to get an exemption from the Indian Government from those restrictions to ensure the continuity of paracetamol supply to the UK during the pandemic. DHSC flagged this issue to the Department the following day. The Department proceeded to lobby Indian ministers and officials over the following few weeks [ET02/54 INQ000534304]. As part of lobbying efforts, over the course of March 2020, I held calls with an Indian Minister, and on 25 March 2020, I sent a follow up letter seeking Ministerial assistance in expediting the paracetamol shipments [ET02/55 INQ000534305]. On 30 March 2020, I had a further call with the Minister [ET02/56 DIT000037099]. By 8 April 2020, the Department had secured approval for the export of 2.8 million packets of paracetamol to the UK, which was deemed critical to its supply. See email at [ET02/57 INQ000496602]. An announcement was made on HMG's website on 14 April 2020 [ET02/58 INQ000534352].

- 4.21. With the vast majority of medical supplies coming from China, on 30 March 2020, I held a call with a Chinese Minister regarding the sale of Covid-19 related medical supplies and to press for support in the smooth procurement and shipping of ventilators. I also stressed the importance of a multilateral response to keep supply chains and international trade open. See briefing for the call at [ET02/59 DIT000298407].
- 4.22. I held a number of calls with international counterparts throughout March and April 2020 to assist with procurement efforts and unblock medical supplies, including:
- a) On 26 March 2020, I held a call with a Minister for the Republic of Korea, regarding procurement of testing kits. I highlighted that Cabinet Office were negotiating with SD Biosensor, a Korean company, to procure Covid-19 testing kits. The Korean Minister said that she would investigate the matter and see what could be done to expedite procurement [ET02/60 DIT000677192]; and
 - b) On 17 April 2020, I held a further call with an Indian Minister regarding India's export restrictions on Hydroxychloroquine. During this call, the Indian Minister confirmed that India would approve Hydroxychloroquine exports for the UK [ET02/61 INQ000534323].
- 4.23. I also held calls with international counterparts throughout March to May 2020 to discuss the importance of global co-operation on trade during the pandemic and the continued flow of key medical products. This included:
- a) 22 March 2020, with a Saudi Arabian Minister;
 - b) 25 March 2020, with a European Commissioner;
 - c) 27 March 2020, with a Canadian Minister;
 - d) 14 April 2020, with a Mexican Minister;
 - e) 17 April 2020, with an Australian Minister;
 - f) 27 April 2020, with an Indonesia Minister;
 - g) 28 April 2020, with a Turkish Minister;
 - h) 13 May 2020, with a Saudi Arabian Minister; and
 - i) 13 May 2020, with a European Commissioner.

Ministerial Engagement Plan

- 4.24. In late March 2020, the Department's Bilateral Trade Relations (**BTR**) team commenced tracking existing and emerging trade restrictions. I received regular updates, an example of which is provided at [ET02/62 INQ000534312]. Further detail on the work of the BTR team can be found at Section 5 of the DIT corporate statement.
- 4.25. During the 3 April 2020 daily ministerial call, I requested that the trade restrictions workstream and work on engagement with G20 nations be joined up. On 6 April 2020,

I requested an engagement plan with suggested actions for the top five most salient and troubling export restrictions, both at multilateral level with the G20 and at bilateral level (where necessary). I was keen for the UK to take a leading role on the world stage, especially at G20 level [ET02/63 DIT000145661]. On 7 April 2020, officials from the BTR team produced a bilateral engagement plan in the run up to the May 2020 G20 meeting [ET02/64 DIT000144311]. My calls with G20 counterparts regarding restrictive trade practices, detailed at paragraph 4.23, were conducted as part of this engagement plan.

- 4.26. On the daily DIT ministerial call on 16 April 2020, I agreed with Mr Hands and Andrew Mitchell that the JACT (and subsequently the GSSEP) would provide an international procurement lobbying plan with longer term objectives i.e. a plan which detailed which countries the UK should be building relationships with to counter potential future procurement issues [ET02/65 DIT000037066] and [ET02/66 DIT000139367].
- 4.27. The Ministerial Engagement Team circulated the first cross-Whitehall ministerial engagement plan on 30 April 2020 [ET02/67 INQ000492431]. Further information on the ministerial intervention plan and the work of the GSSEP international team can be found at Section 8 of the DIT corporate statement. In summary, the plan, distributed to Secretaries of State and Ministers, confirmed the conferences arranged for the upcoming week with other governments. Thereafter, I undertook lobbying engagements in line with those identified in the engagement plan.

The GSSEP Market Engagement Plan

- 4.28. In conjunction with the ministerial engagement plans, in late April 2020, the JACT, and subsequently the GSSEP, developed Covid-19 market engagement plans which identified priority markets for medical supplies. Further information can be found at paragraphs 8.20 to 8.32 of the DIT corporate statement. The market engagement plans summarised the procurement situation in each market including setting ongoing actions to secure orders, and upcoming planned ministerial engagement. I have already referred to the initial appointment of Mr Burns to lead on the high priority rated markets, and Mr Jayawardena taking over this area to lead on market engagement upon Mr Burns' resignation on 4 May 2020 [ET02/68 INQ000510418].
- 4.29. As set out at paragraph 8.28 of the DIT corporate statement, the first draft market engagement plan was produced for Turkey and circulated to me and Mr Burns on 29 April 2020. I requested that the market engagement plans include information on the wider trade policies in place for the respective locations [ET02/69 INQ000510405]. The second iteration of the plan included a bilateral trade summary which was produced with assistance from the BTR team. The bilateral trade summary provided detail on the UK's trade relationship with the respective market, including the main areas of import

and export. Moving forward, the market engagement plans contained the bilateral trade summary, compiled in conjunction with the BTR team, and the stakeholder engagement plan for the procurement of PPE, as completed by posts with assistance from the GSSEP International team.

- 4.30. Between 11 and 15 May 2020, engagement plans for 16 markets were submitted to my office and to Mr Jayawardena. The markets covered were Turkey, Egypt, India, Singapore, South Korea, Taiwan, Bangladesh, USA, Vietnam, Canada, Indonesia, Japan, Mexico, Sri Lanka, Malaysia, and Thailand. These plans fed into the ministerial engagement plans, and informed which interventions were considered crucial to unblocking supply.
- 4.31. As set out at paragraph 7.22 of the DIT corporate statement, on 21 May 2020 the Prime Minister announced that the 90-day gap in demand for PPE had been closed. HMG's procurement strategy shifted to a longer-term approach to PPE procurement, moving away from sourcing opportunities for the short-term to developing strategic partnerships with suppliers.

My own critical reflections on global supply chains

- 4.32. I have been asked to provide my own critical reflections on the analysis of global supply chains which were available to me during the pandemic. At the beginning of the pandemic, there was a fear that countries would put up barriers to trade and restrict exports on a wide range of products including food, pharmaceutical products, and energy supplies. In the event, the wider impact on the overall flow of goods around the world was not as severe as was feared at the start of the pandemic. To that extent, in my view, global supply chains *overall* operated fairly well given the global crisis, and trade flowed relatively freely. Even with this wider trade sphere, there were exceptions in relation to some pharmaceuticals, such as the trade in paracetamol (see paragraph 4.32 4.20 above).
- 4.33. On the narrower but important question of the supply chains for PPE and other medical equipment and supplies, which clearly were critically affected, I do not feel that I am best placed to comment in detail. However, during the relevant period, I was concerned, at a more general level, that the UK and other Western nations were too reliant on China. Issues with the supply of PPE appear to me to have been an acute example of this strategic over-reliance.
- 4.34. As to how supply chain analysis could be improved in the future, the UK needs to better understand that to date, the security of supply has not been sufficiently prioritised, compared to cost, and consider that as part of its analysis. Furthermore, it became

apparent during the pandemic that many companies had in place “Just In Time” production processes, which resulted in supply chain issues.

Section 5: International Trade Policy

Consideration of tariff liberalisation

- 5.1. On 21 April 2020, a submission was sent to me and Mr Hands regarding PPE supply from India and proposed trade policy concessions to increase supply [ET02/70 DIT000679191_H2]. The submission sought approval as to whether we would be open to making changes on tariffs if the prospect of India releasing export restrictions and supply of kit could be confirmed. On 22 April 2020, my private secretary confirmed that both Mr Hands and I agreed that we should not make tariff offers to India but explore alternative options [ET02/71 INQ000534235].
- 5.2. On 24 April 2020, a note regarding alternative options was submitted to me and Mr Hands [ET02/71 INQ000534235] and [ET02/72 INQ000533300]. The suggested approach, produced in conjunction with DIT officials in post in India, HMTc for South Asia Alan Gemmell, and Harjinder Kang (Director, HLSB team), was an exchange of medical equipment, a broader support package, including the use of overseas development aid (**ODA**), supported by a proposed engagement plan. On 29 April 2020, I approved the proposed engagement plan [ET02/73 INQ000534327]. As part of the engagement plan, the Permanent Secretary held a call on 1 May 2020 with Ravi Kapoor, Indian Textiles Secretary and Acting High Commissioner [ET02/74 DIT000038302].

Consideration of ODA

- 5.3. Consideration was given to the use of ODA in May 2020. On 11 May 2020, the DIT Permanent Secretary sent a letter to the First Secretary of State (at his request) headed “*Levers to increase the export of PPE to the UK*” [ET02/75 INQ000492457] and [ET02/76 INQ000500118]. The two options discussed in the letter were the use of ODA and tariff liberalisation. I approved this letter to the First Secretary of State on 7 May 2020 [ET02/77 INQ000534332].
- 5.4. Discussions with the Department highlighted that ODA would be useful in stimulating the global market for PPE, but officials also raised concerns that it might not be permissible within the framework of UK law. Legal advice was obtained on the options. The 11 May 2020 letter to the First Secretary of State detailed the options regarding the use of ODA. It stated that when using ODA, the primary purpose must be to contribute to poverty reduction, and the spend “*cannot be made contingent upon the export of PPE to the UK*”. The letter noted that “*the degree to which ODA is useful as a lever partly depends on the relative value of the bilateral planned (or future) ODA spend in-country*”. The letter went on to state that the countries where HMG was

focussing hardest on PPE had a relatively small amount of bilateral ODA and therefore it would unlikely be an effective lever and HMG should consider other options.

- 5.5. As set out in paragraphs 8.47 to 8.51 of the DIT corporate statement, over the course of May and June 2020 the use of ODA to support the production of PPE in eligible countries continued to be explored as part of the GSSEP Strategic Initiative – the International Partnerships Initiative. However, consideration of the use of ODA to source PPE ended at the point that it became clear that supplies of PPE into the country no longer necessitated this option to be progressed. The use of ODA was managed by FCO. Although I approved the 11 May 2020 letter to the First Secretary of State and was kept updated on the issue, I did not make any decisions in relation to the use of ODA.

Prosperity Fund

- 5.6. The Prosperity Fund, established in 2015, was a cross-government fund, overseen by the National Security Council. It closed in March 2021 when prosperity programming transferred to FCO. No decisions were made by me regarding the use of the Prosperity Fund to matters within the scope of Module 5.

Bilateral and multilateral trade agreements

- 5.7. During the pandemic, the UK was already in the process of securing trade agreements with over 60 countries, as well as trying to secure new trade deals with other countries such as Australia. In my view, if the trade agreements had not been secured, there would have been an increased threat of tariffs on key medical supplies and equipment. Negotiating trade agreements to avoid a reversion to World Trade Organisation (**WTO**) terms, which would have meant increased tariffs and reduced market access was a key focus.

International initiatives

- 5.8. Throughout the pandemic, I was eager for the UK to show international leadership on keeping the trade of vital medical goods flowing. During my time as Secretary of State for International Trade I took part in international initiatives targeted at reducing tariffs and export restrictions on key health products.
- 5.9. On 30 March 2020, I attended a meeting of G20 trade ministers. The meeting was assembled following my request to the Saudi G20 Presidency to convene an extraordinary G20 trade ministers meeting to help manage the ongoing Covid-19 pandemic. I provided an update to the Prime Minister on 2 April 2020 [ET02/78 INQ000534315]. Agreement was reached on a number of key UK objectives, including:

- a) A commitment to ensuring the continued flow of vital medical supplies and equipment, critical agricultural products, and other essential goods and services across borders.
 - b) Emergency trade restrictive measures to tackle Covid-19, if deemed necessary, must be targeted, proportionate, transparent, and temporary, and should not create unnecessary barriers to trade or disruption to global supply chains.
 - c) The importance of transparency in the current environment and a commitment to notify the WTO of any trade related measures taken.
- 5.10. On 31 March 2020, I chaired the G7 trade minister's meeting to ensure that trade restrictions were not put on supplies. G7 trade ministers agreed to further consider the ways in which trade policy could develop to support trade in health products, and increase supply chain resilience, as nations worked to recover from Covid-19. See the G7 trade ministers' meeting chair's statement at [ET02/79 INQ000534351].
- 5.11. A further meeting of G20 trade ministers was convened on 14 May 2020. I reiterated that the G20 needed to explore new initiatives to promote open and more resilient supply chains, in the areas of pharmaceutical, medical and other health-related products. The briefing provided to me in advance of the meeting can be found at [ET02/80 DIT000187249]. G20 trade ministers agreed to broad commitments to build on temporary tariff liberalisation and unwind trade restrictions [ET02/81 INQ000534334].

Trade Against Pandemics Initiative

- 5.12. In June 2020, following the meeting of the G20 in May 2020, the DIT Trade Policy Directorate proposed the Trade Against Pandemics Initiative (**TAPI**). TAPI was aimed at liberalising trade and removing export restrictions in key healthcare products. See the submission dated 26 June 2020 [ET02/82 INQ000534337]. On 3 July 2020, I approved the TAPI and instructed the Trade Policy Directorate to progress the initiative [ET02/83 INQ000534338].
- 5.13. On 3 August 2020, the Trade Policy Directorate confirmed it had worked through the proposal with the cross-Whitehall working group on tariffs, including FCO and HMT, and sought approval to seek collective agreement to the proposal [ET02/84 INQ000534339]. It confirmed informal engagements had been scheduled at an official level with EU Member States and the European Commission to set the stage for more formal communication of our policy approach. Informal engagement was also undertaken with New Zealand. It was reported that New Zealand, Republic of Korea, Singapore and Canada had set out ministerial declarations consistent with TAPI. I was

provided with further updates on TAPI progress on 4 September 2020 [ET02/85 INQ000494186] and 16 October 2020 [ET02/86 INQ000534343].

- 5.14. On 2 November 2020, I agreed in principle that the TAPI should be announced that month [ET02/87 INQ000534345]. During this period, it emerged that the EU was, in parallel, incorporating elements of the TAPI into an EU initiative (which later became the Trade and Health Initiative (**TAHI**)) to put before the Ottawa Group² for agreement in late November 2020. See submissions dated 28 October 2020 [ET02/88 INQ000534344] and 12 November 2020 [ET02/89 DIT000187521].
- 5.15. In the interim, on 9 November 2020, as part of the TAPI, I approved the use of tariff suspensions to temporarily liberalise tariffs on products not already tariff free under the UK Global Tariff³ for 12 months from 1 January 2021 (see the submission at [ET02/90 INQ000534350] and response at [ET02/91 INQ000534346]).
- 5.16. On 23 November 2020, the Ottawa Group endorsed the TAHI, which now incorporated elements of TAPI [ET02/89 DIT000187521]. The following day, I approved the Trade Policy Directorate's recommendation that the UK join the TAHI [ET02/92 INQ000534348].
- 5.17. On 16 December 2020, I announced the UK's support for the TAHI at the WTO. On the same day, the Department announced that tariffs on key medical products, used to help address Covid-19, had been suspended by HMG for 12 months. The measures came into effect on 1 January 2021 and ensured that no tariffs would be due on imports of goods including face masks, gloves and other protective equipment.

My own critical reflections on long term domestic and international trade policies

- 5.18. I have been asked what long term domestic and international trade policies I think ought to be considered. In my view the UK needs to ensure that it is trading with allies who can be relied upon. The UK should expand our relationship with the United States; India is also a critical partner. To my mind the UK should diversify away from China. The UK should also ensure that essential goods are produced domestically to ensure energy and food security.
- 5.19. Much of the Department's time in 2020 and 2021 was spent negotiating the Japan, Australia and New Zealand trade deals and in conjunction with that, the UK's accession

² The Ottawa Group is a group of 14 likeminded WTO Members (Australia, Brazil, Canada, Chile, European Union, Japan, Kenya, South Korea, Mexico, New Zealand, Norway, Singapore, Switzerland, and the United Kingdom) with an objective to help WTO Members address specific challenges that are putting the multilateral trading system under stress.

³ On 19 May 2020, HMG announced its new tariff regime the-UK Global Tariff (**UKGT**). The UKGT replaced the EU's Common External Tariff on 1 January 2021. The UKGT applied to goods exported from countries with which the UK did not have a preferential agreement. Many medical and pharmaceutical goods, including vaccines, were made tariff-free under the UKGT.

to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (**CPTPP**). Joining this free trade area was an important part of diversifying supply chains away from China and working with like-minded allies. This is the type of policy that the UK should be pursuing - looking to have a trade deal with the US is the logical next step.

Section 6: Ayanda Capital Ltd

- 6.1. I have been requested to address any role I may have had in the progression and the award of a £253 million contract to Ayanda Capital Ltd for the provision of face masks during the pandemic (the **Ayanda Contract**).
- 6.2. I had no involvement in the progression and / or award of the Ayanda Contract. Furthermore, I did not contact anyone, in the Department, DHSC or Cabinet Office about the progression and / or award of the Ayanda Contract. On 14 October 2020, Paul Kellett (Commercial Director, DIT) provided a submission to the Permanent Secretary regarding the Ayanda Contract [ET02/93 INQ000496139]. The Ayanda Contract is discussed in further detail in Section 14 of the DIT corporate statement.
- 6.3. As to my relationship with Andrew Mills, I do not know Mr Mills in any capacity and have never met him. I understand Mr Mills confirmed this in August 2020 [ET02/94 INQ000534340]. I have no knowledge of his role in the Ayanda Contract.
- 6.4. I understand that Mr Mills was appointed as an adviser to the BoT under my predecessor, the Rt Hon Dr Liam Fox. His tenure as a BoT adviser came to an end on 27 July 2020. No formal BoT meetings were convened during my time as BoT President when Mr Mills was an advisor.
- 6.5. I refer the Inquiry to my letter to the Rt Hon Bill Esterson MP on 10 August 2020 [ET02/95 INQ000534341]. I note that the first paragraph of this letter states, "*Neither the Department for International Trade nor the Board of Trade played any part in the award of a PPE contract to Ayanda Capital...*"
- 6.6. I now understand from the DIT corporate statement that DIT had forwarded the relevant offer relating to the provision of face masks on to the China Team to carry out some local due diligence checks. The fact that Andrew Mills had been a BoT advisor also appears to have informed the view that the lead was credible, and DIT forwarded it to the 'High Priority' lane on that basis, which was the purpose of the 'High Priority' lane. To the best of my knowledge and recollection, I would not have been aware of that level of detail at the time I approved the draft letter to Mr Esterson. While I understand that it was DHSC who would have assessed the lead and decided upon the award of the contract under their due diligence arrangements, it would have been better if that additional context and detail concerning early DIT involvement had been included in the letter to Mr Esterson.

Section 7: Critical Reflections

7.1. In this section I provide my critical reflections on procurement and national security, industrial strategy for emergencies, long term policy considerations and lessons learned. The views expressed below are my own personal views and not the views of the DBT or HMG.

Procurement and national security

7.2. I am asked to provide my critical reflections on the national security implications of the UK's reliance on foreign suppliers during a pandemic. In my view the UK was too reliant on supplies from hostile countries such as China during the pandemic.

7.3. In general, the UK should have the capability to produce key healthcare equipment and supplies for a pandemic domestically or, at the very least, have close allies with the capability to produce them.

Industrial strategy for emergencies such as pandemics and long term policy

7.4. I am asked to provide comment on the UK's industrial strategy for key healthcare equipment and supplies. I note some of the policy areas on which I have been asked to comment were outside my remit as Secretary of State for International Trade and therefore I do not feel able to comment.

7.5. In my view the term "industrial strategy" is ambiguous and open to interpretation. If it relates to the supply of core goods such as food, energy, medical, then I agree that the UK should be cognisant of that. In particular we should not become dependent on our adversaries such as China. I also believe that security of supply in core necessities is important such as steel, food and energy. In particular I am critical of the UK's failure to secure long term energy security.

7.6. I do not however favour subsidising inefficient industries.

7.7. I am unable to comment on the industrial strategies relating to specific healthcare products.

7.8. In my view, the UK should collaborate with international allies on matters such as extraction of minerals, fossil fuels, steel and food production. The UK needs to recognise the growing role that the economy plays in security, such that growth from cheap gas and money syphoned from kleptocracies is not the same as real, sustained growth from higher productivity and greater innovation. Free trade must be fair. For too long many countries have been naïve about the geopolitical power of economics. Aggressors treat it as a tool of foreign policy – using patronage, investment and debt as a means to exert control and coerce. Access to the global economy must depend on playing by the rules. I believe that economic access should not be a given. It must

be earned. We must show that we are prepared to prioritise security and respect for sovereignty over short-term economic gain. Most of the world does respect sovereignty, so we must work more closely with allies and friends – old and new. The same assertive approach that can constrain our rivals can be a powerful driver of prosperity and security. For this reason, during my time as Secretary of State for International Trade, I built new trade links, including working on free trade agreements with countries like India and Indonesia and joining the CPTPP. By being tough and united, by working together and expanding trade, UK and allied countries can deprive aggressors of their leverage and reduce strategic dependence. The UK and allied countries can help each other to weather the storm of soaring food and energy prices. We should also get ahead in other possible areas of strategic dependence. Whether it is minerals or rare earth metals, the UK and allied countries should join forces to prevent future problems before they emerge. This is how we will strengthen our shared economic security.

Lessons Learned

- 7.9. In terms of policy reforms, in my view, to make a significant improvement, during a pandemic, to the UK's access to global trade in key healthcare equipment and supplies, enhance supply chain resilience and support the global supply of raw materials and the scaling up of manufacturing, the UK should focus on security of supply of energy.

Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Signed:

Personal Data

Dated: 22 January 2025

Annex A: Cross-departmental Meetings

Chronology of cross-departmental meetings attended by the Rt Hon Elizabeth Truss relevant to the scope of Module 5 (M5)*			
Meeting date	Meeting	Chair	Exhibit reference
18-Mar-2020*	IMIG	Foreign Secretary	ET02/96 INQ000534299
19-Mar-2020	IMIG	Foreign Secretary	ET02/97 INQ000534300
23-Mar-2020	IMIG	Foreign Secretary	ET02/98 INQ000534302
24-Mar-2020	IMIG	Foreign Secretary	ET02/99 INQ000534303
25-Mar-2020	IMIG	Foreign Secretary	ET02/04 INQ000534306
27-Mar-2020*	EBRIG	Secretary of State for BEIS	ET02/100 INQ000534307
30-Mar-2020*	IMIG	Foreign Secretary	ET02/101 INQ000534311
31-Mar-2020	IMIG	Foreign Secretary	ET02/06 INQ000534322]
02-Apr-2020	IMIG	Foreign Secretary	ET02/102 INQ000534314
23-Apr-2020	EBRIG	The Chancellor of the Exchequer	ET02/103 INQ000534324
02-Jul-2020	Project DEFEND Ministerial Small Group	First Secretary of State	ET02/104 INQ000494138
02-Sep-2020	Project DEFEND Ministerial Small Group	First Secretary of State	ET02/105 INQ000534342

* The Department does not hold complete records for the MIGs, Covid-O or Covid-S committees as OGDs provided the secretariat for these groups. Where meetings have been marked with an asterisk, they are relevant to the scope of Module 5, but I have been unable to confirm if I attended these meetings from the available records.

Annex B: Acronyms used within this Statement

Acronym	Description
BoT	Board of Trade
BTR	Bilateral Trade Relations
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
COBR(M)	Cabinet Office Briefing Room
Covid-O	Covid Operations Committee
Covid-S	Covid Strategy Committee
DBT	Department of Business and Trade
DHSC	Department of Health and Social Care
DIT	Department for International Trade
DOC	Departmental Operations Centre
EBRIG	Economic and Business Response Implementation Group
FCO / FCDO	Foreign and Commonwealth Office / Foreign, Commonwealth and Development Office
GPSMIG	General Public Sector Ministerial Implementation Group
GSSEP	Global Strategic and Sourcing Engagement Project
HLSB	Healthcare, Life Sciences and Bioeconomy team
HMG	HM Government
HMIG	Health Ministerial Implementation Group
HMT	HM Treasury
IMIG	International Ministerial Implementation Group
JACT	Joint Action Coordination Team
MIG	Ministerial Implementation Group
ODA	Overseas development aid
OGDs	Other government departments
PPE	Personal Protective Equipment
TAHI	Trade and Health Initiative
TAPI	Trade Against Pandemics Initiative
UKGT	UK Global Tariff
WTO	World Trade Organization

Annex C: Exhibit Schedule

Please see attached.