POLITICO Brexit Files: Tough US Trade Talks

Good afternoon and welcome to Brexit Files.

INSIGHT

Negotiating a trade deal with the U.S. will not be a walk in the park for Prime Minister Boris Johnson, according to a former trade negotiator for the White House.

Harry Broadman, who served as U.S. Assistant Trade Representative under George Bush Senior and Bill Clinton, spelled out, in an interview with POLITICO, some of the challenges the Department for International Trade is likely to come up against during talks with Washington.

As many others have also warned, one of the biggest obstacles will be the powerful U.S. agricultural lobby, which will push to get its way on contentious issues such as chlorine-washed chicken and hormone-treated beef. Broadman, who now works as managing director for emerging markets at Berkeley Research Group, argued it would be "a mistake to underestimate" the sector's political clout: Farmers form a large part of the Trump support base, and that with an election looming, the incumbent will be "very sensitive to the agricultural sector."

Broadman also warned Trump could demand concessions on agriculture in exchange for promises to not hike tariffs on cars — <u>a threat</u> raised by U.S. Treasury Secretary Steve Mnuchin in response to the U.K. plan for a tax on U.S. tech giants. However, Johnson could use the tech tax as a bargaining chip, Broadman noted.

The U.K.'s decision to allow Chinese tech giant Huawei to build parts of the country's 5G network will also continue to haunt it, he predicts. "Anyone who thinks that if Trump has backed off on something today means that he's going to do something different tomorrow doesn't understand how the president operates," he said.

Broadman said it is "wishful thinking" for the U.K. to set its sights on the American public procurement market, something International Trade Secretary Liz Truss last week put on her wish list for a U.S. trade deal.

He said "every country in the world" wants better access to U.S. public sector contracts, but its protectionist lobby is "extraordinarily powerful" and "I would be surprised if the U.S. is going to allow any other country to come in and share the spoils."

But there is something of a silver lining to the oncoming clouds.

Broadman insisted Britain would not get "walked all over" in trade negotiations with Trump because the U.S. will want the U.K. to remain an ally in future trade battles with big powers like China and India.

— Emilio Casalicchio

BREXIT COUNTDOWN

The end of the Brexit transition period is **326** days away.