



Department for International Trade

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The Rt Hon Sir George Howarth MP
House of Commons
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By email: lena.mccormick@parliament.uk

21st September 2020

Dear George,

Thank you for your correspondence of 3rd July, on behalf of your constituents, regarding investor-state dispute settlements (ISDS) and the COVID-19 pandemic. The Secretary of State has asked me to reply, as this matter falls within my brief.

Investment in and from the United Kingdom has enormous benefits for the British economy. From pension funds to high-tech manufacturing, individual savers to SMEs, investment supports thousands of jobs and adds billions of pounds to the economy. British investors overseas contribute to the economic development of states across the world, bolstering international trade and security, and supporting global prosperity. British investment in developing countries creates jobs, supports local communities, and generates sustainable economic growth.

The United Kingdom already has over 90 Bilateral Investment Treaties (BITs) with investment protection provisions where both parties make binding commitments regarding the treatment of each other's investors. These are designed to make sure that investors – including, for instance, British pensioners – are protected from discrimination, unfair treatment and from having their assets expropriated without compensation at fair market value.

These commitments are backed by an ISDS mechanism, offering investors an independent means of legal redress in the event of a breach. ISDS tribunals cannot overrule the sovereignty of Parliament or overturn or force any changes to law; they can only award compensation if a foreign investor's rights under the treaty have been breached – if the investor is found to have been treated in an arbitrary and discriminatory manner, for example.

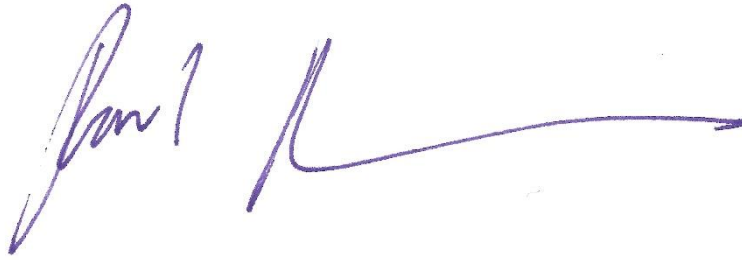
HM Government recognises the importance of strengthening international investment in response to COVID-19, and the continuing important role played by both investment protection and ISDS provisions in safeguarding British investors overseas. We are clear that Britain and our treaty partners retain the right to regulate in the public interest, including for public health purposes. There has never been a successful ISDS claim against the United Kingdom, nor has the threat of potential claims affected our legislation.

As HM Government made clear in the G20 Trade and Investment Ministers statement of 30th March, we are committed to monitoring and assessing the impact of the COVID-19 crisis on trade and investment. We must seek to mitigate its impacts on international trade and investment, so we will continue to champion free trade to the benefit of the British people – and people the world over – securing more jobs, greater choice in goods, and lower prices.

I hope this letter is helpful to you and your constituents.

With best wishes.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Ranil Jayawardena', with a long horizontal flourish extending to the right.

RANIL JAYAWARDENA MP
Minister for International Trade