

# Royal Institute of British Architects

## Response to the Business and Trade Committee: export-led growth inquiry

July 2023

The Royal Institute of British Architects is a global professional membership body driving excellence in architecture. We serve our members and society in order to deliver better buildings and places, stronger communities and a sustainable environment. Being inclusive, ethical, environmentally aware and collaborative underpins all that we do.

The RIBA welcomes this inquiry. British architecture is a global success story – at £524 million last year, with the majority of exports going to countries outside the EU. The UK is a global architectural hub and directly contributes £4.8 billion to the UK economy every year. A further £1 billion per year contribution is embedded in the exports of the other industries it supports – from banking to museums, transport to IT services.

As the UK negotiates a new relationship with the rest of the world, opening new markets via trade agreements is critical to help UK architecture grow further.

To help the UK architecture sector grow, RIBA recommends the Government:

- Ensures Mutual Recognition Agreements (MRAs) continue to be signed.
- Ensures that we enable the movement of people to support businesses.
- Provides certainty for businesses including through standards harmonisation.
- Promotes the UK as a global leader in sustainable design.
- Agrees Free Trade Agreements (FTAs) with tariff reductions for construction products.

**What are the new or growing opportunities for exports which can drive UK economic growth?  
How can these be exploited?**

37% of global energy related greenhouse gas emissions stem from the built environment: therefore, decarbonisation of the sector is key to reaching net zero. Architects have a significant role to play in decarbonising the built environment.

The UK is a leader in sustainable design, and at RIBA we are helping our members to work towards net zero by encouraging them to sign up to our [2030 Climate Challenge](#). The Challenge calls on RIBA Chartered Practices to reduce whole life carbon by setting targets for operational energy, embodied carbon and water usage.

Combining the UK's strength in sustainable design and exporting architectural services could create significant export opportunities for architects.

It is pleasing to see that the UK is endeavouring to widen the definition of environmental services at the World Trade Organisation (WTO) level. Currently, the WTO definition of environmental services includes sewage services, refuse disposal, sanitation and similar services, reducing vehicle emissions, noise abatement services, nature and landscape protection services. Widening this definition to include services such as architecture would be a positive step in opening up sustainable architectural exports globally.

When thinking about individual country trade negotiations, excluding general barriers to exporting architecture services such as mutual recognition of professional qualifications and mobility (more on these below), many of the barriers facing architects exporting environmental services relate to standards. It is important for the UK Government to help countries set up adequate procurement and environmental frameworks that benefit UK architects and promote and utilise UK standards, such as *Passivhaus*. This will help UK architects promote their work to international clients.

Currently many countries, for example Middle Eastern countries, rely on US sustainability standards – if UK architects are not familiar with these standards, then they may be at a disadvantage when trying to procure international work.

While tariff barriers and other barriers to the export of construction products primarily affect goods trade and are not directly pertinent to architecture as a professional business service, tariffs on construction products have an impact on the wider construction and engineering sector by increasing the cost of development.

FTAs offer an opportunity to support the wider UK construction sector and reduce costs to business through tariff reduction on construction products. UK architects often specify UK construction products when working in overseas markets – architecture therefore acts as an export multiplier, creating opportunities for British product manufacturers and providers elsewhere in the construction value chain. Removing barriers to British architects specifying these products through tariff reduction will support this multiplier effect.

Common product standards reduce barriers to overseas competition in the construction sector and facilitate the entry of new participants into the market – free trade agreements represent an opportunity to strengthen and deepen bilateral cooperation in this area. FTAs could be used to

further promote best practice and bilateral cooperation in construction product standards and regulation and reduce trade barriers from divergent regulation.

### **What do UK businesses need to increase exports? How does the UK compare to other countries in their support for exports?**

To increase exports in architecture, the Government needs to:

- Ensure Mutual Recognition Agreements (MRAs) continue to be signed
- Ensure that we enable the movement of people to support businesses
- Provide certainty for businesses including through standards harmonisation.

#### *Ensure Mutual Recognition Agreements (MRAs) continue to be signed*

For architecture the most significant non-tariff barrier to trade is a lack of mutual recognition of professional qualifications, and 59% of our members believe this is a top priority for boosting trade in architecture.

Positively, in recent months two MRAs – one with the US and another trilateral MRA with Australia and New Zealand – have been signed. Historically, UK architects have had to go through a costly and bureaucratic process of registration, and sometimes requalification, locally in order to practice or use the title ‘architect.’ These new MRAs make it easier for UK architects to work in these countries, and vice versa.

However, following Brexit there is currently no MRA in place with the EU. For UK architects wishing to work in the EU, arrangements have been put in place with the Republic of Ireland following an agreement between the Architects Registration Board and the Royal Institute of Architects of Ireland to continue to recognise each other’s qualifications. However outside of this, there is no mutual recognition for UK architects seeking recognition to offer services in the EU. This means that UK architects will now have to satisfy the individual requirements of member states.

These requirements vary state to state, which may create additional costs and bureaucracy for architecture practices wishing to work in Europe. For example, in Germany this means sitting an examination to prove competence, and in France a UK architect must be authorised by order of the Minister responsible for architecture after consulting the National Council to carry out a specific project. 46% of RIBA Chartered Practices believe that the UK’s new trading relationship with the EU has detrimentally impacted recruiting or retaining architects outside the UK.

An additional complication is the different positions of individual member states on whether they protect the title and/or the function of an architect. For example, in France and Spain, both title and function are protected; Denmark and Sweden protect neither title nor function; in Italy, title and function are protected and the appointment of an architect is mandatory for work on any building deemed to be of artistic or historic value. This means that understanding what work an architect can carry out will need to be researched on a country-by-country basis and may also be project specific. This adds additional regulatory burdens for British architects seeking to work in these countries, with a significant investment of time and money often required to overcome this barrier.

These issues are particularly pronounced for smaller practices, which are less able to bear the additional cost and administration burdens associated with overcoming these barriers. 85% of architectural practices employ fewer than 10 people; at present, propensity to export in the architecture sector varies greatly by size. Therefore, securing further MRAs, with the EU as a priority, is vital to driving UK architecture exports.

*Ensure that we enable the movement of people to support businesses*

The UK architecture sector succeeds because of its ability to trade in goods and services and recruit talent international talent.

It was positive to see that the EU-UK Trade and Cooperation Agreement contained provisions for visa-free, short-term business trips for specific purposes. But as mentioned above, national reservations by member states may create a confusing and multifaceted system for UK architects wishing to work in the EU. The complexity of understanding the national reservations for each country, then concluding if a visa is required to undertake the work, will be burdensome and costly for some architecture practices.

Individuals will need to monitor how many days they spend in the EU to ensure they comply with the limit of 90 days in the 180-day visa-free period. Trips for leisure purposes are also included and this will require employers to keep a record of trips taken by their employees, creating new costs and complexity for businesses.

Outside of the EU, movement of people is a key barrier to grow architectural exports. Visa or work requirements can add delays to projects and increases costs, and addressing such issues would remove a significant barrier to services trade and support professional business services like architecture. Addressing these barriers will support trade and increase the pool of talented architectural staff British practices can benefit from, growing the UK architecture sector.

The other side of this is a system that allows for movement of people to the UK. International architects bring a wealth of design skills and market knowledge that makes the UK a leader for creativity and innovation. An employer may seek to recruit an international architect for several reasons, including a scarcity of applicants with specialities, or the requirement for soft skills, such as fluency in a particular language, and international market knowledge. Architects that come to the UK may then return to their home country and open a branch of a UK practice – we have heard of this from some large practices. Therefore, the UK immigration system must function to allow architects to come from abroad to help grow exports in the future.

*Provide certainty for businesses*

As mentioned above, for UK architects wishing to work in the EU, national reservations by member states may create a complex and multifaceted system. This will be onerous and costly for some architecture practices.

International work by RIBA Chartered Practices from the EU and other parts of Europe is widely spread across all practice sizes. But for smaller practices, the EU is the region most likely to provide international work. This means that national reservations will particularly impact smaller practices, who are less able to bear the additional cost and administration burdens associated with the new requirements. This could affect their ability to export.