

## **FT: Buy British by all means but beware the backlash**

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Who to follow - Gordon Brown or Sir Alan Sugar? The prime minister is "fighting hard" to prevent any return to beggar thy neighbour trade policies. But protectionist forces are already on the march. In Spain, the industry minister has called on his compatriots to shop Spanish. In the US, pressure mounts for Buy America clauses in stimulus packages. And here, Sir Alan is telling Daily Mirror readers to "stuff the EU for a while until it suits us", while the paper urges them to buy Horlicks and Walkers Assorted Shortbread Shapes.

As Mr Brown pointed out in a speech yesterday, financial isolationism is the real danger. But he and fellow politicians should be wary of Buy British (or Lend British) campaigns, too, for four main reasons.

First, such initiatives usually end in tears or ridicule, or both. Denis MacShane, the former Labour minister, favours greater co-ordination of public procurement to buy British, when price and value are otherwise equal. Fair enough. But he also remembers the "horrors" of the I'm Backing Britain campaign of 40 years ago, which was endorsed by the government and seized on by Robert Maxwell, before petering out.

Second, it's hard to untangle British from non-British in a globalised economy.

Third, applied aggressively to public procurement and large private contracts, such discrimination is illegal.

Lastly, it's counter-productive. Sterling's weakness is a worry, but compared with imports, British goods ought soon to be among the cheapest on the shelves. That could lend weight to the marketing of local produce. But we should be wary of inflaming nationalistic counter-blasts from trading partners. If governments can co-ordinate a global demand stimulus (a big if, admittedly), the euro or dollar price of UK goods could soon entice foreign, perhaps UK-financed, customers to buy British, unprompted. Shortbread anyone?

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