

Her Majesty's Government announces UK Global Tariff

The Government has this morning (19 May) announced the UK's new tariff regime, the UK Global Tariff, which will set out the duty charged on imports from other countries. This will replace the EU's Common External Tariff on 1 January 2021 at the end of the Transition Period, by which point we will have reached an agreement on our future relationship with the EU. The UK Global Tariff will only apply to goods from all countries with which we do not have a preferential trading relationship.

It is a simpler, easier to use and lower tariff regime than the EU's Common External Tariff (EU CET) and will be in pounds (£), not euros. It will scrap red tape and other unnecessary barriers to trade, reduce cost pressures and increase choice for consumers and back UK industries to compete on the global stage.

The government is taking a common-sense approach to our new tariff schedule by streamlining and simplifying over 7,000 tariff lines and lowering costs for businesses by reducing administrative burdens.

The UK Global Tariff will provide a baseline from which we will negotiate free trade agreements with partners around the world, giving us the leverage to negotiate the best deal for the UK, and replace the EU tariff that we currently apply.

- **The UK Global Tariff will make it easier for businesses to trade.** o **Our tariff will be in pounds – not euros.** Paid in pounds, calculated in pounds, this is a stable tariff for UK traders.
- **Our tariff cuts administrative costs for businesses.** We are getting rid of needless tariffs which create administrative burdens. All tariffs below 2% are gone (e.g. fire extinguishers, school pencils and gardening tools, move from 1.7% to 0%).
- **Our tariff is simpler to use.** We will round tariffs down, making them simpler for traders to use (e.g. reading glasses move from 2.9% to 2% and alarm clocks from 4.7% to 4%). We will also scrap the EU's complex calculation for certain processed goods- which results in over 13,000 tariff variations on products like biscuits, confectionery, and spreads – applied under the EU Tariff.
- **The UK Global Tariff will back UK manufacturing and production.** UK manufacturing and production. We are dropping tariffs to zero across a wide range of products used in UK production (e.g. tools for tapping and threading metal move from 2.7% to 0%, and spanners and wrenches from 1.7% to 0%).
- **The UK Global Tariff will reduce cost pressures and increase choice for UK households.** Tariffs will be removed on products that we do not

produce, or do not produce much of in the UK. Removing these tariffs will lower cost pressures for UK households and businesses (e.g. pistachios move from 1.6% to 0% and cotton yarn from 4% to 0%).

- **The UK Global Tariff will protect developing countries.** These countries will maintain tariff free access into the UK on goods such as vanilla (6%), plantains (16%) and bedlinen (12%). Whereas non-developing countries will face the UK tariff on these goods, where a trade agreement is not in place. Therefore, the UKGT maintains the continued preferential access for these countries.
- **The UK Global Tariff will promote a sustainable economy.** We are cutting tariffs on over 100 products to back renewable energy, energy efficiency, carbon capture, and the circular economy through recycling and reducing single use plastics (e.g. thermostats move from 2.1% to 0%, vacuum flasks from 6.7% to 0% and LED lamps from 3.7% to 0%).

As set out in the Protocol, Northern Ireland is a constituent nation of the UK and part of the UK's customs territory. Tariffs are not payable on goods moving within the UK. The arrangements the government will introduce will reflect this.

As we recover from the unprecedented economic challenges posed by coronavirus, the UK will champion free trade, fight protectionism and remove trade barriers.

Our new tariff is tailored to the needs of the UK economy. It will support the country, by making it easier and cheaper for businesses to import goods from overseas from 1 January 2021.

The UK Global Tariff will protect UK sectors, such as agriculture. Tariffs will be retained for products such as lamb, beef and poultry. The Government has removed tariffs on products that cannot be produced in the UK – including approximately 150 agricultural products such as various vegetables, fruits and oils.