Temporary tariff regime updated

Following the announcement of our <u>temporary tariff regime</u>, we had further discussions with industry and consumer groups. Having listened carefully to their feedback, we will make 3 specific amendments affecting HGVs, bioethanol and clothing.

These are to:

- lower tariffs on HGVs entering the UK market, striking a better balance between the needs of British producers and the SMEs that make up the UK haulage industry, ensuring that crucial fleet replacement programmes that help to lower carbon emissions can continue
- adjust tariffs on bioethanol to retain support for UK producers, as the supply of this fuel is important to critical national infrastructure
- apply tariffs to additional clothing products to ensure the preferential access to the UK market currently available to developing countries (compared to other countries) is maintained

These 3 specific amendments to the tariff rates published in March will enable UK supply chains to continue to operate smoothly and keep prices down for consumers and ensure that we are fully prepared to leave the EU on 31 October whatever the circumstances.

Under the temporary tariff, 88% of total imports to the UK by value would be eligible for tariff free access.

The government would closely monitor the effects of the temporary tariff regime on the UK economy.

Today we are also announcing an exceptional review process, which will come into force on exit day, to make changes to the temporary tariff regime if necessary.

Businesses and consumers will be able to provide feedback on the impact of the temporary tariff regime to the government through an online feedback form. The government will then review the evidence and consider whether any changes need to be made.

The temporary tariff regime provides a balanced approach on tariffs for both consumers and producers.

British businesses would not pay tariffs on imports into the UK for the majority of goods if we leave the EU without an agreement.

This will mean lower prices in shops for consumers and the opportunity to

source the best goods from around the world. For example, honey from New Zealand will see its tariff fall from 17% to zero, grapes from Brazil will reduce from around 15% to zero and other products, such as tennis rackets and wines will no longer face a tariff.

The regime would apply for up to 12 months while a full consultation on a permanent approach to tariffs is undertaken from January, as part of work to develop the UK's independent trade policy. All businesses, interest groups and consumers will be able to share their views about the permanent tariff regime with the government through this process.

Trade Policy Minister Conor Burns said:

The UK will be leaving the EU on 31 October and we are working with businesses to ensure the UK is ready to trade from day one.

Our temporary tariff regime will support the UK economy as a whole, helping British businesses to trade and opening up opportunities for business to import the best goods from around the world at the best prices for British consumers.

The UK is a free trading nation and British business is in a strong position to compete in an open, free-trading environment.