

UK and Korea to sign trade continuity deal to ensure businesses are ready to trade post-Brexit

The UK and Korea will today (Thursday 22 August) sign a continuity Free Trade Agreement that will allow businesses to keep trading freely after Brexit on Thursday 31 October. Secretary of State for International Trade, Liz Truss and the Korean Minister of Trade, Yoo Myung-Hee will meet in London to sign the agreement, protecting annual trade flows between the two countries, with total trade worth £14.6 billion in 2018.

This agreement, when brought into force, will allow businesses to keep trading freely after we leave the EU on 31 October, safeguarding British jobs in key sectors including manufacturing, technology and professional services.

The agreement will help to further strengthen the trading relationship between the UK and Korea that has already increased by an average of 12% per year since the EU-Korea Free Trade Agreement was signed in 2011.

Trade continuity agreements signed so far now cover countries accounting for £89 billion of trade, an increase from £39 billion in March 2019.

Secretary of State for International Trade Liz Truss MP said:

My priority is to make sure that British businesses are fully prepared for Brexit and ready to trade on Thursday 31 October. That's why I'm delighted to sign this trade deal today with one of the biggest markets covered by existing EU trade agreements.

It will allow businesses like Bentley and Denby to keep trading as they do today, and they will be able to take advantage of the opportunities that Brexit offers.

The UK-Korea FTA replicates, as far as possible, the effects of the EU-Korea trade deal, allowing businesses to continue to benefit from preferential terms. In 2017, there were 6,900 British businesses exporting goods to Korea, worth around £5.8 billion.

Trade Minister Yoo said:

Today's signing of the FTA will remove much Brexit uncertainty out of our long, valuable economic partnership.

In this challenging time, we took a proactive step, and as a result, our Free Trade Agreement today sends a signal to the world of our strong, collective support for free, open, rules-based

trade.

Building on today's signing, I hope to see further deepening of our economic partnership, and Korea and the UK walking together on the path of prosperity and a brighter future.

The news has been welcomed by businesses in industries such as automotive, technology, renewable energy, retail and ceramics. Some of the [fastest growing exports to Korea](#) include the sale of British cars, which increased to £943 million in 2018, up by third on the year before.

Bentley's exports of the British classic luxury car to Korea have gone from strength to strength, with a thirty-fold increase in exports between 2006 and 2015, from 10 cars driving on Korean roads in 2006 to over 380 in 2015.

Warren Clarke, Bentley Brand Manager South Korea added:

As the first luxury car brand to enter the market in 2006 Bentley Motors sees South Korea as very significant to our future business plans. The stability this FTA brings is very much welcomed and will enable us to continue to promote the very best of British automotive engineering and craftsmanship as we grow our business in South Korea.

With our fantastic business partner here and a very strong and loyal customer base we are very excited about our future plans for the market.

Exports of ceramic products from the UK to Korea were around £17 million in 2018, an increase of 41% from 2010. Meanwhile, the UK exported £256 million of professional and management consulting services to the country in 2018, up by 8% from the previous year.

Denby, the 200-year-old company based in Derbyshire sells its 100% British-made ceramics in over 40 department stores in Korea, with its assortment of bowls proving especially popular.

Sebastian Lazell, CEO Denby Pottery Company said:

Denby is delighted that the UK-Korea Free Trade Agreement has been signed and that this can guarantee the continued free flow of goods between our two most important markets.

Denby Pottery has become the favourite choice for younger generations in Korea who love table-setting with beautifully crafted Made in England tableware and this will ensure they can continue to do so with confidence for years to come. We congratulate and thank those involved in bringing this important agreement to fruition.

The agreement signed today follows a [joint statement](#) on the terms of the agreement made by the two countries in June.

It also follows a joint statement agreed between Her Majesty's Ambassador to the Republic of Korea and the Ministry of Foreign Affairs First Vice Minister in Seoul on Wednesday 21 August. The joint statement reaffirms our mutual commitment to human rights, counter-proliferation and trade liberalisation, and underlines both countries' support for the rules based trading system.

The UK will publish the text of this agreement once it is laid in Parliament.

Notes to editors

- This agreement will now be subject to the domestic internal procedures of both countries party to the agreement before it can be brought into force.
- The UK will continue to be covered by the EU-Korea agreement while the UK is a member of the EU. This agreement is designed to take effect when the EU-Korea agreement ceases to apply to the UK.
- The UK has signed 13 trade continuity agreements with 38 countries. These include some of our biggest trading partners. A regularly updated list of all signed agreements is available on [GOV.UK](#). Source of trade statistics:
- ONS 'UK total trade: all countries, non-seasonally adjusted January to March 2019 release'. Figures are provided on a nominal basis.
- HMRC Trade in Goods by Business Characteristics 2017, VAT registered businesses exporting to South Korea (accessed July 2019).
- HMRC overseas trade statistics (accessed August 2019). Figures for cars based upon HS4 code (8703) 'Motor cars and other motor vehicles'.