

Iconic British exports expected to benefit from any trade deal with Australia

Some of the Britain's most famous exports could enjoy major wins from a UK-Australia trade deal, the Department for International Trade has revealed.

UK negotiators are working to remove tariffs impacting our car, train, fashion, and food and drink industries, making it cheaper and easier to sell goods to Australia, supporting jobs and boosting the economy.

The Government's latest research estimates that 6.5m jobs were supported by exports in 2016 and were generally higher paying, with wages in jobs directly and indirectly supported by exports around 7% higher than the national average.

From Northamptonshire-based footwear company Trickers to Mason's of Yorkshire gin, a deal with Australia could be a boost to all parts of the country, supporting the 15,000 British businesses who already export £4.1 billion of goods to Australia.

Iconic brands like Mr Kipling, Cadbury's Mini Rolls and Bradbury Cheese are already enjoyed by households across Australia, but are subject to tariffs of up to 20% – these could be slashed under any trade deal.

The deal could also benefit the UK car industry by removing the current 5% tariff on cars, which last year alone cost the sector an estimated £17 million in duties paid. Cheaper exports could also help support the 162,000 people estimated to be working in the automotive manufacturing sector, across more than 3,400 businesses.

Iconic British goods expected to be enjoyed more down under thanks to a 5% tariff removal would also include:

- UK chocolate and biscuit producers – Premier Foods make the two top cake brands in Australia, Mr Kipling and Cadbury's, and would be boosted by the removal of the current 5% tariff.
- UK cheese exports to Australia currently face tariffs of up to 20%. For example, East Midlands producer Bradbury Cheese estimate they could add around \$1.5m to the nearly \$3m of cheese it already sells to Australia with a tariff-free deal.
- British gin brands such as Mason's of Yorkshire. Its largest export market is already Australia and it would stand to benefit from the removal of the current 5% tariff on gin exports.

- The UK rail industry, which was estimated by the 2018 Oxford Economics report to export £800 million in goods and services.
- The removal of tariffs on trains and train parts will open the market for the industry and help UK businesses win contracts in Australia.
- UK clothing sold in Australia also currently faces a tariff of up to 5%.

International Trade Secretary Liz Truss said:

From our world-famous food and drink industry to our car and train manufacturers, we're pushing to slash tariffs on iconic British exports.

We know that export-led jobs are typically more productive and higher paying, supporting jobs across the country which will help us build back better from the pandemic.

A gold standard agreement with our allies Australia, which is now in sight, would mark the next generation of trade deals and will deliver big benefits for people and business across the whole of the UK.

Karl Mason, Director of Masons of Yorkshire Gin, said:

We sell Gin directly to Aldi Australia and Coles. The 5% Australian tariffs on Gin add to the landed cost of goods which are already compromised by the cost of shipping such a huge distance. For a small company making a premium product the additional price burden can hold us back. Australia is our largest export market, and after the hurdle of shipping our Gin to the other side of the world the removal of these tariffs through an FTA could only benefit us.

Darren Caplan, Chief Executive of the Railway Industry Association (RIA), said:

With Australia being a key market for UK rail businesses, any reduction of tariffs and other barriers to trade is a very welcome move. It will mean our country's rail suppliers can sell even more of their world-renowned products to enhance the Australian railway system, and enable them to support a green, sustainable and job-creating recovery in both the UK and Australia. George Paul, Owner and Chairman of Bradburys Cheese, said:

In mutual exchanges of benefit, we earnestly hope for a reduction, or removal, of the current tariff system on cheese which adds just under £1 (A\$1.60) per kilo to the cost of the product at retail, and is an extra burden for Australian households, and a deterrent to increasing sales. It is reasonable to believe that such quality premium value, in a price sensitive market, will be recognised by the consumer, and sales could rise 50-60% year on year.

Richard Martin, Chief Customer Officer at Premier Foods, said:

British made Mr Kipling and Cadbury cakes have fast become the number 1 and 2 cake brands in the Australian market respectively, and are purchased by 20% of Australian households. A reduction in tariffs would support the future growth of these brands and facilitate opportunities for British food and drink.

Martin Mason, Managing Director of Trickers Footwear, said:

Exporting is our lifeblood so reaching different parts of the world with our products is critical and we find DIT incredibly valuable. It has helped us conduct export analysis and introduced us to the key people in embassies and consulates in countries where we want to work, the importance of the FTA with Australia will make it easier to export our footwear in the country and increase our sales.

Northamptonshire has a long history of shoemaking and Tricker's stands at the forefront of promoting British heritage abroad. Exporting to over 43 countries across the world, Tricker's success highlights the continued demand for traditional British manufacturing methods and processes as far afield as Australia.