

News story: International Trade Secretary secures major deal for UK dairy in China

International Trade Secretary Dr Liam Fox MP today (Thursday 23 August) met with China's General Administration of Customs to reach an agreement which would allow the import of UK dairy products made with milk from third countries. The agreement is estimated to be worth £240 million over five years to the UK.

With demand for most dairy categories growing by more than 20% each year in China, it is one of the country's fastest growing areas of food demand. The UK exported over £96 million of dairy products to China in 2017, and there has been significant interest in the market following the Prime Minister and Dr Fox's visit earlier this year.

This deal means that producers will have increased flexibility on sourcing the dairy they use for their products.

The UK Government is determined to open up agricultural opportunities to British businesses, and today's announcement follows the Chancellor's visit to China where he announced a lifting of a two-decades long ban on beef. The deal was expected to be worth £250m.

International Trade Secretary Dr Liam Fox MP said:

This is my fourth visit to China this year and I'm delighted to see the completion of this deal, bringing significant benefits to dairy producers across the UK at a time when British food and drink exports are at a record high.

China is the UK's fifth largest trading partner, with exports growing by 28.5% in 2017 when compared with the previous year.

As an international economic department, DIT is working with our partners across the world to liberalise international trade by removing barriers to commerce, helping businesses and ensuring greater choice for consumers worldwide. Today's announcement will boost our £67.5 billion trading relationship even further.

Environment Secretary Michael Gove MP commented:

Our world-class dairy producers already export £1.7 billion worth of produce per year. This milestone will help to unlock the UK food and drink industry's full potential forging new trading relationships around the globe. This step shows we can be a truly

outward looking Britain outside the European Union.

Her Majesty's Trade Commissioner for China, Richard Burn, added:

The appetite in China for UK produce is clearly already strong. However there remains untapped potential across all food and drink categories.

Imports into China of products such as yoghurt, flavoured milk and cheese have seen rapid growth as Chinese consumers increasingly associate these items with nutrition and wellbeing.

Today's good news will build on the success of the Prime Minister and Dr Fox's visit to China earlier in the year, when they negotiated a lift on a two-decades-long ban on imports of beef from the UK.

Whilst in China, Dr Fox is attending a meeting of the UK-China Joint Economic and Trade Commission (JETCO) in Beijing, as well as meeting companies and senior Chinese government ministers to discuss trading opportunities between the two countries.