News story: Temporary tariff regime for no deal Brexit published



Government has this morning (Wednesday 13 March) published details of the <u>UK's temporary tariff regime for no deal</u>, designed to minimise costs to business and consumers while protecting vulnerable industries. The government is publishing this approach ahead of the vote in Parliament on No Deal to ensure MPs are fully informed.

This regime is temporary, and the government would closely monitor the effects of these tariffs on the UK economy. It would apply for up to 12 months while a full consultation and review on a permanent approach to tariffs is undertaken.

British businesses would not pay customs duties on the majority of goods when importing into the UK if we leave the European Union without an agreement.

Under the temporary tariff, 87% of total imports to the UK by value would be eligible for tariff free access.

Tariffs would still apply to 13% of goods imported into the UK. This includes:

- a mixture of tariffs and quotas on beef, lamb, pork, poultry and some dairy to support farmers and producers who have historically been protected through high EU tariffs
- retaining a number of tariffs on finished vehicles in order to support the automotive sector and in light of broader challenging market conditions'. However, car makers relying on EU supply chains would not face additional tariffs on car parts imported from the EU to prevent disruption to supply chains
- in addition, there are a number of sectors where tariffs help provide support for UK producers against unfair global trading practices, such as dumping and state subsidies. Tariffs would be retained for these products, including certain ceramics, fertiliser and fuel
- to meet our long-standing commitment to reduce poverty through trade, the government currently offers preferential access to the UK market for developing countries. To ensure that access for developing countries is maintained, we would retain tariffs on a set of goods, including

bananas, raw cane sugar, and certain kinds of fish

Trade Policy Minister George Hollingbery said:

Our priority is securing a deal with the European Union as this will avoid disruption to our global trading relationships. However, we must prepare for all eventualities.

If we leave without a deal, we will set the majority of our import tariffs to zero, whilst maintaining tariffs for the most sensitive industries.

This balanced approach will help to support British jobs and avoid potential price spikes that would hit the poorest households the hardest.

It represents a modest liberalisation of tariffs and we will be monitoring the economy closely, as well as consulting with businesses, to decide what our tariffs should be after this transitional period.

The government has also confirmed today that it will take a temporary approach to avoid new checks and controls on goods at the Northern Ireland land border if the UK leaves the EU without a deal. The UK's temporary import tariffs will therefore not apply to goods crossing from Ireland into Northern Ireland.

These tariffs would apply equally to all other trading partners, except for those where we have a free trade agreement in place and around 70 developing countries that will benefit from preferential access to our market.

The government will lay the appropriate legislation in light of the outcome of the vote on no deal today.

Notes for editors

- It is not possible to leave things as they are:
 - If we maintained our current external tariff regime and applied it to the EU, this would impose new tariffs on EU imports, driving up prices for consumers and disrupting business supply chains.
 - If we fully maintained zero tariffs with the EU, we would also have to extend this to the rest of the world due to WTO rules. This would minimise disruption to EU trade but would open the UK to competition from other countries including those with unfair trading practices.
- Businesses can find more information about our temporary tariff regime here.
- The UK's temporary tariff regime does not affect our ability to implement trade remedies measures to protect UK businesses from unfair trading practices such as 'dumping'. The UK will retain 43 existing EU trade remedies measures which involves applying additional tariffs to

imports from specific countries.

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