<u>Philippines eligible for duty free</u> <u>access to exported goods to UK through</u> DCTS

The UK is reshaping trade with developing countries through this new trading framework that will replace the UK Generalised Scheme of Preferences (GSP) and will come into force in early 2023. The Developing Countries Trading Scheme (DCTS) was announced by the Prime Minister at the Commonwealth Heads of Government Meeting (CHOGM) on 23 June and launched on 16 August by the Secretary of State for International Trade.

Total trade (goods and services) between the UK and Philippines amounts to £2 billion each year. Under the DCTS, the Philippines will continue to benefit from duty free exports to the UK on more than 80% of eligible products. This will help Philippines save up to £21 million a year. In addition, the DCTS will remove tariffs on over 150 additional products. The DCTS will also simplify some seasonal tariffs, meaning additional and simpler access for the Philippines' exports to the UK.

The DCTS also offers generous rules of origin, making it easier to produce goods using components from other countries without losing duty-free status. It will be one of the most generous sets of trading preferences of any country in the world, helping to grow trade, boost jobs and drive economic growth.

Her Majesty's Ambassador to the Philippines, Laure Beaufils said:

The launch of the Developing Countries Trading Scheme is a great opportunity for the UK and the Philippines to build on our strong existing bilateral trade and investment relationship. More than 80% of exported Filipino products, and 99% of total goods by value exported from the Philippines, will be eligible for duty free access to the UK. The scheme will boost our trade and provide new opportunities for Filipino and British businesses.

The DCTS benefits 65 developing countries and is more generous and simpler than the existing UK Generalised Scheme of Preferences. It has been designed to harness the power of trade to help developing countries grow and prosper. As one of the most generous preferential trading schemes in the world, the DCTS demonstrates the UK's commitment to building long term, mutually beneficial relationships with emerging economies that are home to more than 3.3 billion people.

The scheme includes zero tariffs on almost £4.5 billion of imports of clothing and apparel, £300 million of foodstuffs and millions of pounds worth of other consumer products such as bicycles and children's toys. DCTS covers

37 countries in Africa, 18 in Asia, 8 in Oceania and 2 in the Americas.

Read <u>detailed information on the Developing Countries Trading Scheme and policy response</u>.

Department for International Trade, British Embassy Manila

Email: DIT.Manila@fcdo.gov.uk