New approach to import controls to help ease cost of living

The remaining import controls on EU goods will no longer be introduced this year, the government has announced today.

Instead, traders will continue to move their goods from the European Union to Great Britain as they do now.

Russia's illegal invasion of Ukraine, and the recent rise in global energy costs, have had a significant effect on supply chains that are still recovering from the pandemic.

The government has therefore concluded that it would be wrong to impose new administrative requirements on businesses who may pass-on the associated costs to consumers already facing pressures on their finances.

The change in approach is expected to save British importers at least £1 billion in annual costs.

The Government will now review how to implement these remaining controls in an improved way. The new Target Operating Model will be based on a better assessment of risk and will harness the power of data and technology. It will be published in the Autumn and the new controls regime will come into force at the end of 2023.

This process will build on existing work already taking place as part of the 2025 Border Strategy, including on the UK Single Trade Window – a new digital platform that will help traders to more easily move goods globally. Our goal is to create a seamless new 'digital' border, where technologies and real-time data will cut queues and smooth trade.

The controls introduced in January 2021 on the highest risk imports of animals, animal products, plants and plant products will continue to apply alongside the customs controls which have already been introduced.

Minister for Brexit Opportunities, Jacob Rees-Mogg said:

> Today's decision will allow British businesses to focus on their recovery from the pandemic, navigate global supply chain issues and ensure that new costs are not passed on to consumers.
>
> It's vital that we have the right import controls regime in place, so we'll now be working with industry to review these remaining controls so that they best suit the UK's own interests.
>
> We want the process for importing goods from the EU to be safe, secure and efficient and we want to harness innovative new technologies to streamline processes and reduce frictions. It's

precisely because of Brexit that we're able to build this UK-focussed system

The UK Government is committed to ensuring the process for importing goods remains safe, secure and efficient and will harness innovative new technologies to streamline future processes and reduce frictions.

Our engagement with industry will be guided by these objectives, and will build on existing work already taking place, including on the UK Single Trade Window – a new digital gateway that will help traders to more easily move goods globally.

John Keefe, Director of Public Affairs. Eurotunnel said:

Eurotunnel supports this decision which will keep goods flowing seamlessly into the UK. It is good for traders as it reduces import declaration paperwork on food and perishables.

It is good for transporters as it increases fluidity at the border and it is good for consumers as it keeps the cost of living down.

Michael Schymik, International Director of SEF Langdon's said:

The current paper-based SPS processes and procedures are unsuitable in a 21st century digital world.

This change in policy towards a smarter digital border by the UK Government will allow the free flow of safe food products into Great Britain.

The decision may lead to a return of more EU companies exporting to the GB market, increasing competition and ultimately lowering prices for the consumer.

Notes to editors:

PM meeting with President Ignazio Cassis of Switzerland: 28 April 2022

Press release

Prime Minister Boris Johnson hosted President Ignazio Cassis at Downing Street.

The Prime Minister hosted President Ignazio Cassis at Downing Street this morning to sign a new joint statement between the UK and Switzerland.

Discussing the two countries' strong ties, the leaders agreed that the UK and Switzerland were science, trade and financial superpowers together, and pledged to accelerate work across all sectors.

The pair also agreed to work towards in-depth negotiations on an ambitious and enhanced Free Trade Agreement, and agreed to explore ways to simplify entry requirements between the two countries.

The leaders also discussed the ruthless invasion of Ukraine by President Putin's forces, and how the UK and Switzerland could continue to apply financial pressure on the Russian regime.

The Prime Minister thanked President Cassis for his country's support on sanctions against those associated with the Putin regime, and said the international community had to continue to support Ukraine during the protracted conflict.

The leaders agreed to stay in close touch in the coming months.

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UK kickstarts work on new trade deal with Switzerland

- UK working to negotiate new enhanced free trade agreement with fellow 'services superpower' Switzerland
- Government launches eight-week consultation on new UK-Swiss FTA to seek views of UK businesses and public and shape negotiating objectives
- New deal will take our relationship to the next level in industries of

> the future such as digital trade and innovative services

The UK has today (28 April 2022) kickstarted work for a new enhanced trade deal with Switzerland, after Prime Minister Boris Johnson hosted Swiss President Ignazio Cassis for bilateral talks in London.

The enhanced deal aims to boost two-way trade between two of the world's biggest services superpowers through measures including breaking down barriers and opening up access for U.K. firms to the Swiss market.

The Department for International Trade is launching an eight-week consultation calling on businesses and the public for their views ahead of the start of negotiations.

Switzerland is already an important partner for the UK, with bilateral trade worth nearly £35 billion annually. Many UK businesses benefit from tariff free trade on most goods under our existing trade agreement rolled over from the EU, but the current deal does not cover services, which account for over half of our bilateral relationship.

As two services powerhouses globally renowned for their expertise, both the UK and Switzerland are keen to negotiate an ambitious, unprecedented free trade agreement that will boost both our economies and show the world what is possible between two like-minded and innovative democracies.

International Trade Secretary Anne-Marie Trevelyan said:

> A new enhanced trade agreement with Switzerland is a huge opportunity to liberalise trade with our 10th largest trading partner and unlock new opportunities for our world-leading services sector.
>
> As two services superpowers, we have a huge opportunity to negotiate a modern, ambitious, unprecedented deal that will boost both our economies and show the world what is possible between two like-minded and innovative nations who are firmly within Europe but outside of the EU.

In 2020, the United Kingdom was the second-largest exporter of services to the world, with exports worth £266.8 billion. Switzerland was 12th largest, with £89.6 billion.

This deal will help take our relationship to the next level in industries of the future such as digital trade, innovative services, and green growth – delivering higher-paying jobs across the country. It will support trade in vital industries of the UK economy, including finance, legal services, consultancy, the tech sector, and the creative industries, helping contribute to setting new rules and standards for digital trade in the 21st century.

CBI President Lord Bilimoria said:

> That DIT is seeking inputs into enhancing the UK-Swiss FTA is to be welcomed, and the CBI looks forward to responding. The CBI-driven Joint UK-Swiss Bilateral Trade & Investment Council launched earlier this year identified significant opportunities to deepen the existing trading relationship, primarily by enhancing digital and services trade.
>
> Alongside the ongoing dialogue on Financial Services, this consultation presents an opportunity to increase cooperation on issues ranging from customs, reducing complexity in short-term mobility and building cooperation on innovation through our world-class research institutions.

Managing Director, International Trade and Investment, TheCityUK Nicola Watkinson said:

> As the first and third largest net exporters of financial and related professional services globally, the UK and Switzerland have a great deal to gain by setting a new gold standard for services trade between two sovereign nations.
>
> In the UK, nearly half of these exports are generated outside London, in towns and cities right across the UK, so making progress with this agreement can deliver real benefits to local jobs and prosperity. In the long term, a free trade deal with Switzerland will complement wider progress towards mutual recognition, and can be used as the model for new-generation trade deals with other partners worldwide.

Background:

*The consultation can be accessed on the gov.uk website.

Strict controls on pine and cedar tree imports into Great Britain implemented

Emergency legislation restricting the movement of pine and cedar trees into Great Britain to help protect against the imminent threat of the tree pest Pine Processionary Moth has been announced today (Thursday 28 April).

Pine Processionary Moth is present in North Africa and Southern Europe, in particular in Italy. It has also recently been spreading northwards through France. As a result of this legislation, it will no longer be possible to import pine and cedar trees grown in countries where Pine Processionary Moth is established, such as Italy and France. Exceptions apply in cases where Pest Free Areas are designated, or where the trees have been grown under complete physical protection for their lifetime.

The new regulation, in the form of a Statutory Instrument, will strengthen requirements for the import of pine and cedar trees into Great Britain from Friday 29 April. The bolstered measures will only permit imports of these species, both of which are host species of Pine Processionary Moth, from:

- Countries officially confirmed by the National Plant Protection Organisation as free of Pine Processionary Moth;
- Officially designated pest-free areas;
- Nurseries where the trees have been grown under complete physical protection for their lifetime.

The controls apply to all businesses which import living plants and their constituent parts, including live plant foliage and plants for planting, into Great Britain. The restrictions do not apply to processed plant products, such as timber, wood chips and packaging materials.

This action comes following the confirmed interception of Pine Processionary Moth on a small number of pine trees at tree nurseries in England and Wales, imported from France in February this year. Pine Processionary Moth larvae and caterpillars can cause significant damage to pine and other conifer tree species, and pose a risk to human and animal health.

Professor Nicola Spence, UK Chief Plant Health Officer, said:

> We have taken authoritative and immediate action to protect tree nurseries and the wider natural environment from the imminent threat of Pine Processionary Moth.
>
> The increasingly globalised plant trade, along with climate change, continue to present new and emerging risks from pests and diseases. Strengthening our rigorous standards of biosecurity – already among the highest in Europe – will both minimise the net potential losses to our existing treescapes and serve to realise our long-term vision for the nation’s trees and woodlands.

Across Great Britain, rapid and robust plant health enforcement action has taken place to prevent the spread of Pine Processionary Moth into the wider environment. The infested trees at the affected nurseries were swiftly contained and destroyed, whilst tracing work to identify other consignments that may be affected is ongoing. Although there is no evidence of pest spread into the environment, increased surveillance and pheromone trapping will be carried out over the summer as a precautionary monitoring measure.

Healthy trees and plants benefit people, the environment, and the economy. Protecting the long-term welfare of our treescapes will underpin Government efforts to treble tree planting rates by the end of this Parliament and plant 30,000 hectares of trees across the UK per year by 2025, as well as form part of wider efforts to achieve Net Zero by 2050.

VetPartners’ purchase of Goddard raises competition concerns

The Competition and Markets Authority (CMA) opened its investigation into VetPartners Limited’s purchase of Goddard Holdco Limited, which trades as Goddard Veterinary Group, in March 2022. Both firms are providers of veterinary services. VetPartners, owned by the private equity firm BC Partners, operates approximately 550 sites across the UK, while Goddard, a family-owned business, operates 47 sites in Greater London.

As with the CMA’s recent investigation into CVS’s purchase of The Vet , this deal takes place against a backdrop of a small number of corporate groups, including VetPartners, buying up large numbers of independent practices and local chains of vets across the UK. The CMA has received a number of complaints in recent years about higher prices or lower quality services as a result of multiple vets’ practices in the same local area being owned by a single company. VetPartners, like most of these corporate groups, not only owns and operates local vet practices, but also has broader activities within the veterinary sector, owning other businesses including diagnostic laboratories, locum agencies, and crematoria.

Following its Phase 1 investigation into VetPartners’ acquisition of Goddard, the CMA has found that the merger raises competition concerns in 11 local areas across Greater London.

The CMA’s investigation found that the combined businesses would account for a significant proportion of veterinary services in each of these areas. While veterinary practices owned by VetPartners and Goddard currently compete for customers at each of these locations, the CMA is concerned that the combined businesses would not face sufficient competition after the merger. This could lead to pet owners facing a worse quality of service, including more limited treatment options, or having to pay higher prices.

Colin Raftery, Senior Director of Mergers, at the CMA, said:

> Close to 60% of UK households own a pet and, when veterinary care is needed, the cost of care can have a significant impact on already-stretched household budgets.
>
> Like CVS’s recent acquisition of The Vet, VetPartners’ acquisition of Goddard would result in too many vets’ practices in the same area being under the control of a single company, raising the risk of higher prices or lower quality services.

> Unless our concerns are addressed, we will refer this deal for an in-depth investigation to ensure that pet owners don’t lose out.

VetPartners has 5 working days to offer legally-binding proposals to the CMA to address the competition concerns identified. The CMA would then have a further 5 working days to consider whether to accept these instead of referring the case to a Phase 2 investigation.

For more information, visit the VetPartners / Goddard merger inquiry case page.

Notes to Editors

1. VetPartners refers to VetPartners Limited, and Goddard refers to Goddard Holdco Limited, which trades as Goddard Veterinary Group.
2. Following a Phase 1 review, the CMA has found that VetPartners’ acquisition of Goddard gives rise to a realistic prospect of a substantial lessening of competition (SLC) in the local areas around 11 practices acquired by VetPartners, all located in Greater London, primarily in the north-east London area.
3. The information available to the CMA indicates that the combined businesses of the VetPartners and Goddard would provide more than 30% of all veterinary services in each of these 11 local areas.
4. The CMA served an initial enforcement order in November 2021 requiring the companies to operate independently, as they did before the purchase. The order remains in force. Details of the order can be found on the VetPartners / Goddard merger inquiry case page.
5. The CMA’s investigation focused on the provision of commercial veterinary services to small animals (including cats, dogs and other pets), and excluded services for equine and farm animals (horses and livestock); the CMA’s investigation also excluded out of hours services, referral services, home visit and telemedicine vets, as well as non-commercial practices in the market, such as charities.
6. The Pet Food Manufacturer’s Association found in its 2021 Pet Population report that 17 million UK households had pets, accounting for approximately 59% of UK households.
7. ONS data suggests that in the year leading up to July 2021 consumer spending on vets and other services for pets was over £4 billion.
8. This is the second recent merger involving veterinary practices in which the CMA has identified competition concerns. The CMA found competition concerns following CVS’s purchase of The Vet in February 2022. CVS has since offered to sell all of The Vet practices it bought to address the CMA’s concerns. The CMA is currently considering whether this offer would address the concerns identified in that case.
9. All media enquiries should be directed to the CMA press office by email on press@cma.gov.uk, or by phone on 020 3738 6460.