

Tariffs and trade

Tariffs can be damaging to trade. That is why I want us out of the EU customs union, because it imposes high tariffs on lower income countries wishing to sell us better value food. I want us to be able to negotiate a lower overall tariff package for ourselves than the EU wishes to do with the rest of the world. It is particularly foolish and unfriendly to levy high tariffs on food we cannot grow for ourselves because it comes from a non EU country.

I find it curious that the EU claims to be scandalised by Mr Trump threatening a 10% tariff on German cars which sell in large numbers into the US, when the EU itself imposes just such a 10% tariff on US cars into the EU. Germany runs a colossal trade surplus with both the UK, inside the EU tariff wall, and with the US, outside the tariff wall. Mr Trump identifies the asymmetric tariffs and some other barriers as one of the reasons the trade is so lop sided, and wishes to do something about it.

Meanwhile it is typical of the EU that they are telling the UK that we cannot exempt ourselves from the US steel tariffs, though we would probably be in a good position to do so on our own. It is reminder of why we need to get on with our exit so we do have control over these matters. I also read that the EU is still pursuing tax cases against us and argues that we owe them E2.7bn of underclaimed customs dues which the UK Treasury contests. We have lost a lot of revenue before from EU tax cases and now have to argue against making yet another additional payment to a body we are leaving. Clearly they think we should be levying higher tariffs on non EU imports than we think are owing because they wish to keep these products out, and to harm UK consumers.

This is not the wonderful free trade EU some think we must stay in at all costs.