

US suspends tariffs on UK goods in trade dispute

The UK and US have today agreed a new joint approach to the longstanding trade conflict over aerospace tariffs.

The United States will temporarily suspend all retaliatory tariffs on direct exports from the UK to the US resulting from the Airbus dispute for four months, in an effort to reach a negotiated solution to the 16- year long dispute. This measure will come into force on Monday 8 March, backdated to today (4 March).

In 2018, the year before the tariffs were imposed, the US imported around £550m of goods affected by these measures from the UK. The tariff suspension will help protect jobs on both sides of the Atlantic in industries who have been targeted by these unfair tariffs, particularly Scotch whisky. Scotch was the UK's largest food and drink export in 2020, and exports of single malt Irish and Scotch whiskies to the US were worth around £340m in 2018.

This follows the UK's decision to suspend Boeing tariffs against the US from January, a show of good faith which ensured the UK was not hit by further tariffs and allowed both countries to work on ending the dispute and focus on deepening our future trading relationship.

The Prime Minister Boris Johnson said:

From Scotch Whisky distillers to Stilton-makers, businesses across the UK will benefit from the US decision today to suspend tariffs in this dispute.

It shows what the UK can do as an independent trading nation, striking deals that back our businesses and support free and fair trade.

I now look forward to strengthening the UK-US relationship, as we drive economic growth and build back better together.

International Trade Secretary Liz Truss said:

I am delighted to say that our American allies – under their new President and his hard-working staff at the US Trade Representative – have embraced our move to seek a fair settlement.

This is Global Britain in action: securing new opportunities as a newly nimble nation. The benefits will be felt across our nation, especially in Scotland, where Scotch whisky distillers will be able to sell at lower prices in the United States, their most valuable market.

The easier it is for Americans to buy a bottle of Macallan, Talisker or Glenfiddich, the more money those producers will have to invest in their businesses, their staff and futures.

Today's agreement shows that both the UK and the US are determined to work together to build back better and take our trading relationship to new heights.

Scottish Secretary Alister Jack said:

This is great news for the Scottish whisky industry – a cornerstone of Scotland's economy.

The UK Government has fought incredibly hard on this issue, petitioning the highest levels of the US administration to remove tariffs which were harming our Scottish exporters.

We are very pleased to have negotiated an agreement to lift tariffs temporarily, and will use this four month window to bring an end to the trade dispute.

I look forward to our close trading relationship with the US going from strength to strength, opening up new opportunities for Scottish businesses.

The Department for International Trade will continue to engage with the US to agree a fair settlement to the dispute, that removes punitive tariffs and works for the whole of the UK.

This announcement will protect jobs across the UK – as well as Scotch whisky producers, it would also benefit businesses including:

- Cashmere producers in Ayrshire, in 2018 the UK exported to the US around £11m worth of the knitted and crocheted clothing that were targeted by the tariffs, of which around £6m are cashmere.
- Pig farmers in Yorkshire, in 2018 the UK exported to the US around £38m

of the pig meat that was targeted by the tariffs.

- Stilton makers in the Midlands, in 2018 the UK exported to the US around £45m of the cheeses that were targeted by the tariffs, of which around £4m was stilton cheese.

The UK will continue to engage with the US to agree a fair settlement to the dispute, that permanently removes punitive tariffs and works for the whole of the UK. This would benefit the UK's aerospace industry which employs people across the country, including Wales, Belfast and Sheffield.

The government reserves the right to re-impose tariffs at any point if satisfactory progress towards an agreeable settlement is not made.

On a separate track, the UK and US are continuing to work towards an ambitious trade deal, which could eliminate almost £500m in tariffs on UK exports to the US.