



Department for International Trade

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Angus Brendan MacNeil MP
International Trade Committee
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Dear Angus,

This morning (6 February) the Department for International Trade launched a public consultation to inform the development of the UK's new independent tariff policy.

Now that Britain has left the EU, it will use its new powers to make its mark internationally as a champion of free trade and a bulwark against the forces of protectionism that exist in the world. The Government's message is that free trade is good for all nations, is right for the UK and will deliver benefits for British businesses, households and consumers.

As part of our new approach, the Government is developing a new UK Most Favoured Nation (MFN) tariff schedule which will enter into force on 1 January 2021. This will be a bespoke regime known as the UK Global Tariff (UKGT). It will be designed specifically for the UK economy and will replace the EU's Common External Tariff which is currently applied on imports into the UK. It will ensure UK businesses compete on fair terms with the rest of the world whilst benefitting households through greater choice and lower prices.

In designing this new tariff schedule, the Government will ensure that the UK's position continues to uphold the commitments and values of the WTO where the UK will be a campaigner for and champion of global free trade.

The new UK Global Tariff will apply to goods imported into the UK on and after 1 January 2021 unless an exception such as a preferential arrangement or tariff suspension applies. In particular, this tariff will not apply to goods coming from developing countries that benefit under the Generalised System of Preferences, or to goods originating from countries with which the UK has negotiated a Free Trade Agreement. The Northern Ireland / Ireland Protocol in the Withdrawal Agreement provides for certain specific arrangements as regards Northern Ireland.

To note, the Government previously developed the Temporary Tariff Regime (TTR) in 2019. The Temporary Tariff Regime was developed for a possible scenario in which the UK left the EU without a deal. Now that the Withdrawal Agreement has been approved by both the EU and the UK, this scenario is no longer relevant.

Public Consultation

This is the first time in almost fifty years that the UK will be free to set its tariff rates on all imported goods. This consultation represents a unique and historic opportunity for every business, every person and every civil society group, in every part of the UK, to have their say. We are calling on businesses, consumers and other groups to help us shape this new instrument of trade policy for the UK.

To inform the development of this bespoke regime, the Government is seeking views on a series of potential amendments as the UK moves away from the EU's Common External Tariff. These are:

- simplifying and tailoring the tariff;
- removing tariffs on key inputs to production;
- removing tariffs where the UK has zero or limited domestic production.

The Government will also seek views through a series of events across UK regions and Devolved Administrations to engage with businesses, business representatives, consumers, civil society groups, associations and other interested individuals and organisations.

The consultation will close on 5 March 2020 and once the Government has carefully considered available evidence, including the consultation responses, an announcement on the UK's new Global Tariff schedule will follow in due course.

I am copying this letter to the Chair of the Treasury Committee, the Chair of the Foreign Affairs Committee, and the Chair of the Environmental, Food and Rural Affairs Committee.

Best wishes,



THE RT HON ELIZABETH TRUSS MP
Secretary of State for International Trade
& President of the Board of Trade