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Angus Brendan MacNeil MP
Chair, International Trade Committee
House of Commons
London
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22 February 2023

Dear Angus,

TRADE MEASURES TO SUPPORT THE UKRAINIAN ECONOMY

In May 2022 the United Kingdom led the world in being the first country to fully liberalise its trade with Ukraine, by removing all remaining tariffs under the UK-Ukraine Political, Free Trade and Strategic Partnership Agreement. This set an ambitious precedent, which I am pleased to say has been followed by similar initiatives from the European Union, Canada and other partners.

Russia's unprovoked and illegal invasion of Ukraine has impacted Ukraine's ability to export goods and disrupted their usual supply chains and transport routes. This is why it was so important that the UK acted when it did to liberalise remaining tariffs and provide much needed support to Ukrainian businesses. Whilst overall imports to the UK from Ukraine have decreased (with goods imports down almost 50% or £410m in the 12 months to the end of November 2022, compared to the previous year), imports of barley and poultry have benefited from our liberalisation package and are higher than they would otherwise have been. This demonstrates the benefit of the temporary tariff liberalisation to Ukrainian exporters.

In late 2022 President Zelenskyy requested that the temporary tariff liberalisation be extended. This Government remains as committed as ever to supporting Ukraine in their hour of need and I am writing to you to confirm our intention to deliver on this request. My Department will work with His Majesty's Treasury in due course to lay the necessary statutory instrument to extend the temporary tariff liberalisation to early 2024. The liberalisation of all tariffs for imports from Ukraine will continue to be applied to the whole of the United Kingdom and the Crown Dependencies.

In addition, I wanted to update the Committee on the ratification of the Treaty signed last May which sets out tariff liberalisation with Ukraine. Given wartime conditions and the exceptional circumstances in Ukraine we agreed to provisionally apply the liberalisation measures once an Exchange of Notes, which sets out the technical details, was signed, and thereby provide support to Ukrainian businesses as rapidly as possible. Signature took place as planned and the UK laid domestic legislation to liberalise tariffs for 12 months.

However, Ukraine subsequently experienced issues within their system and, for very understandable reasons, have been unable to make provisional application work.

While we worked with Ukraine on these issues, we delayed our own ratification processes of the Treaty. Following this further request from Ukraine to extend liberalisation, the Government will begin the ratification process, and when laying the statutory instrument to extend the tariff liberalisation in our domestic law, we will set an expiry date for early 2024 to align with the treaty date.

As the Prime Minister has made clear, the United Kingdom will continue to do everything in its power to support Ukraine's fight against Putin's brutal invasion and ensure its long-term security and prosperity.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nigel Huddleston', with a stylized flourish at the end.

Nigel Huddleston MP
Minister for International Trade