



## Department for International Trade

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8<sup>th</sup> December 2020

Dear Angus,

I am pleased to confirm that the United Kingdom has today signed a trade continuity agreement with Iceland and Norway, whilst negotiations on a comprehensive FTA continue. Today's agreement covers trade in goods and ensures 95% of goods trade with Norway and over 90% of goods trade with Iceland will be tariff-free, providing businesses with certainty that they can continue to operate on the same terms as they do today when the transition period ends.

Without this agreement, duties on imports from Iceland and Norway would have increased by £65 million under World Trade Organisation trading arrangements. We are committed to protecting and growing the volume of our trade and are making excellent progress towards a comprehensive deal on goods and services trade for 2021.

British consumers and businesses will continue to benefit from more choice and lower prices in Icelandic and Norwegian products such as frozen haddock. Retaining current fish tariff preferences will also benefit British industries such as fish processing, while British firms will continue to see duty free access for all exports of industrial products.


Total trade in goods and services between the United Kingdom, Iceland and Norway together was around £27 billion in 2019, of which over £20 billion was in goods. Norway is the United Kingdom's twelfth largest trading partner, accounting for 1.8% of the United Kingdom's total trade, and Iceland is the UK's 67<sup>th</sup> largest trading partner.

In under two years, HM Government has agreed trade agreements with 55 countries. The United Kingdom's trade with these countries was worth £170 billion in 2019. As committed in HM Government's election manifesto, we have ambitious goals for our country's trade. We want to secure free trade agreements with countries that cover 80 per cent of the United Kingdom's trade within three years.

We have recently signed agreements with Egypt, North Macedonia, Ukraine and Cote d'Ivoire and we expect to make significant progress in securing further deals before the end of the Transition Period.

We will lay a copy of this agreement in Parliament alongside an Explanatory Memorandum and a Parliamentary Report explaining our approach on delivering continuity. Nonetheless, please let me know should you require any further information or assistance.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ranil', followed by a long horizontal flourish.

**RANIL JAYAWARDENA MP**  
Minister for International Trade