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The Rt Hon Liam Byrne MP
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The UK-GCC Free Trade Agreement

Dear Liam,

I am pleased to inform you that the United Kingdom has concluded negotiations on a Free Trade Agreement (FTA) with the Gulf Cooperation Council (GCC), comprising the Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar, the Kingdom of Saudi Arabia, and the United Arab Emirates (UAE).

The UK's ties with the Gulf are deep, historic, and future-focused. This deal is founded upon our shared commitment to open trade, mutual prosperity, and the long-term economic success of all our nations.

The agreement also reflects our solidarity with our Gulf partners. The UK has condemned unequivocally Iran's reckless attacks and worked with Gulf partners to support their self-defence. We are coordinating closely to find a long-term, sustainable solution. Parallel to that effort, this deal lays the foundations for longer term partnership and prosperity.

The Government recognises the challenges UK businesses are facing as a result of the situation in the Middle East and is already taking action to support firms through this period of uncertainty. This includes through the British Industrial Competitiveness Scheme (BICS), which will help businesses tackle the cost of energy. Alongside this, the Government is supporting critical supply chains, strengthening domestic steel production, and boosting consumer confidence.

Ministers are working closely with business groups and industry leaders to understand the pressures facing industry and, as the situation develops, will be agile in responding.

Today's agreement with the GCC is part of that wider, coordinated response — providing the legal certainty and long-term stability that businesses tell us they need to plan, invest and grow with confidence. Alongside domestic action through the Industrial Strategy and Small Business Plan, this deal forms part of a coherent strategy to build economic resilience, manage disruption, and support long-term growth in trade and exports.

For the thousands of UK firms already trading with the Gulf, and the many more considering doing so, this agreement will offer guaranteed access in the years to come.

The rules-based framework that this deal upholds offers the tools to help businesses plan, invest and grow — supporting jobs and raising living standards in both the UK and across the Gulf.

It directly supports the Government's Industrial strategy by creating growth opportunities across high-potential sectors, from digital technology to advanced manufacturing to financial services and clean energy. It will bolster economic ties and unlock new avenues for trade, investment and cooperation with one of the most dynamic and strategically vital regions in the global economy.

The GCC is one of the UK's largest trading partners, with total trade between the UK and GCC valued at around £53 billion in 2025[1]. This deal with the GCC could increase bilateral trade by nearly 20%, and has the potential to grow our economy and put money in people's pockets. This agreement is estimated to add £3.7 billion annually to our economy in the long run according to 2040 projections and £1.9 billion a year to real wages. When combined with the India FTA, the two agreements are estimated to add over £8 billion a year to UK GDP when compared to 2040 projections[2]. I would like to highlight to the Committee some of the benefits we have secured. Throughout negotiations, businesses have been clear they want the FTA to deliver easier trade at the border, greater certainty of access to services markets, and to make navigating regulation in the GCC simpler and more transparent. We have prioritised these outcomes, achieving all this and more in the deal: supporting innovation in the creative industries sector, eliminating tariffs on UK advanced manufacturing exports, promoting the transition to clean energy technologies and bringing in new opportunities for medical technology firms within the life sciences sector.

The agreement also delivers major wins for services sectors - locking in market access for financial and professional business services, enhancing legal certainty, and facilitating the free flow of data to support digital trade. Together, these outcomes align with the UK's Industrial Strategy and strengthen our position in high-growth global markets. This deal also delivers on our Trade Strategy by opening markets, reducing tariff, addressing non-tariff barriers and supporting our Small Business Strategy by creating a more navigable and predictable trading environment for SMEs.

For service suppliers, we've secured important commitments that will make it easier for UK firms to operate and grow across the Gulf. This deal provides assurances in a broad range of sectors, including air transport and legal services, where commitments are made by the GCC to guarantee levels of market access and non-discriminatory treatment. This includes prohibitions on protectionist restrictions, such as limitations on foreign ownership or requirements to set up a base in the GCC.

By locking-in clarity and certainty for exporters in these sectors, the deal will help to cement existing access to key markets and give businesses the confidence they need to expand their trade with the region. We have also agreed an ambitious and comprehensive telecoms chapter that guarantees all suppliers fair and transparent access to public telecommunications networks and services. This will enable businesses to operate and compete effectively, strengthening telecoms trade between the UK and GCC. The GCC has taken its most ambitious commitments on business mobility to date, which will improve consistency and transparency of visa requirements and processes, and provide increased certainty on the level of access they can enjoy.

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[1] ONS Total Trade by country, annual 2025

[2] DBT Modelling

We have also achieved first-of-their-kind outcomes with the GCC on unjustified restrictions to data flows and unjustified data localisation requirements – particularly benefiting digital and financial services firms. The far-reaching digital provisions in this agreement will drive innovation and support the use of emerging digital technologies through UK-GCC cooperation, so we can both take advantage of opportunities when new products and services emerge, including in areas such as artificial intelligence, paperless trade, and clean energy.

These wins support the UK's Industrial Strategy by enabling high-growth sectors to expand internationally and by fostering innovation through open digital markets. SMEs will benefit from streamlined regulation and simplified procedures, giving them the tools to compete more effectively in the region.

For goods exporters, the agreement removes tariffs on around 93% of goods, eliminating an estimated £580 million of duties a year based on existing trade whilst also containing provisions on simplified customs procedures helping to cut red tape.[3] Around two-thirds of UK goods trade by value, will enter the GCC tariff-free from day one of the agreement entering into force, rising to around 93%[4]. UK manufacturers across high value sectors such as machinery, electronics, automotives and aerospace could all benefit from tariff liberalisation, in addition to iconic food and drink produce such as Scottish salmon, cheddar cheese, cereals, and chocolate. The deal excludes pork, chicken and eggs from tariff liberalisation by the UK.

The deal delivers notable wins on customs and trade facilitation, enabling efficient and predictable customs procedures. The UK and the GCC have agreed that goods are expected to clear customs within 48 hours, or under 6 hours for perishables, provided all requirements are met. These improvements will benefit businesses of all sizes, ensuring certainty and consistency for traders when moving goods through the GCC border. These outcomes reflect the priorities raised by industry and deliver for traders across goods sectors including advanced manufacturing, agri-food, and clean tech.

Investment sits at the heart of the UK-GCC trading relationship, and creating the conditions for UK-GCC investment to flourish has been a key objective in these negotiations. In this deal we have agreed comprehensive levels of protections for UK and GCC investors and their investments, ensuring they receive fair and non-discriminatory treatment that will help give investors the confidence to make long-term investment decisions. It will also provide transparent independent legal recourse to resolve disputes if treaty obligations are breached. This will help ensure projects in both regions to have the certainty they need to succeed. With these provisions in place, I believe that we will be well placed to build on the total £485 billion in total Foreign Direct Investments, portfolio, derivatives and other investment assets and liabilities between the UK and Gulf Arabian countries – which include the GCC nations, Yemen and Iraq at the end of 2024. [5]

[3] Duty estimates are based on GCC import figures from ITC Trademap, using 2024 data for all countries except Oman, which uses 2023 data. Duties are calculated using the GCC common external tariff and country-specific tariffs as of 2022. For countries where HS6-level data is used (Oman, Qatar and the UAE), the lowest MFN tariff within the HS6 subheading is applied to provide a conservative estimate.

[4] Estimates are based on GCC import figures from ITC Trademap, using 2024 data for all countries except Oman, which uses 2023 data.

[5] Gulf Arabian in this instance refers to GCC members states, in addition to Yemen and Iraq. Due to data limitations, it is not possible to calculate the value of GCC assets in the UK collectively

This deal will also provide us with additional opportunities to collaborate with the GCC on important issues. We have secured outcomes beyond the GCC's previous precedent on environment, labour, women's economic empowerment, and animal welfare. These include standalone articles on animal welfare, cooperation on labour rights, and commitments to support women's participation in trade. For environment, we have agreed a standalone article on climate change, including affirming our commitments to address climate change, particularly under the Paris Agreement.

Additionally, we have agreed commitments to strive to ensure high levels of environmental protection, alongside cooperative provisions covering an indicative range of environmental and climate issues. For labour, we have agreed to reaffirm our obligations as members of the International Labour Organisation. We have also secured provisions on non-derogation and the effective enforcement of labour laws; these are key as they support UK and GCC businesses by promoting fair competition. These outcomes go further than any previous GCC agreement and set the foundation for practical cooperation that supports responsible trade.

The Government is committed to transparency throughout our trade programme. We will publish the attached conclusion summary and technical note setting out what we have agreed as part of this deal.

We will now go through the steps to prepare the treaty for signature, giving Members the opportunity to scrutinise this agreement through our existing commitments. Alongside this, my officials and I will be engaging closely with business to explain what has been agreed.

At a challenging moment for the Middle East, this announcement sends a clear and reassuring signal about the value of partnership. It underscores our shared commitment to collaboration and cooperation, foundations that are essential to delivering prosperity, stability, and security for all our countries.

I look forward to updating the house through a Written Ministerial Statement today. We will, of course, be happy to engage with your Committee on this agreement, and my officials will be in touch to facilitate a briefing from my Chief Negotiator. I look forward to continuing to work closely with you and the Business and Trade Committee, and to updating the house further at the earliest opportunity.

Yours sincerely,

SIR CHRIS BRYANT MP
Minister of State for Trade
Department for Business and Trade