

UK Global Tariffs briefing

The UK Government has produced its UK Global Tariffs (UKGT) series of applied tariffs. The UK had already lodged its bound (maximum) tariff schedule at the World Trade Organisation to take effect at the end of the transition period on 31 December this year. This series of tariffs is the actual tariff which would apply to that portion of UK trade not covered by a preferential trade agreement (such as with South Korea or Switzerland) nor the unilateral trading preferences (the UK successors to the EU GSP, GSP+ and EBA schemes).

The UK Government's press notices around the release stated that 60% of UK trade would be covered either by UKGT or preferential tariff arrangements (from rolled over trade agreements or the unilateral preferences). This is quite different from the scenario from the No Deal tariffs (the Temporary Tariff Regime) whereby 88% of products would have had a zero or reduced tariff compared with the EU Most Favoured Nation (MFN) Tariffs applicable during the transition period to non-preferential trade.

At the time that was seen to have contributed to Canada's unwillingness to rollover the FTA with the EU with the UK, and to have put reduced tariffs above negotiating leverage for the UK in future negotiations. That position is very different with the UKGT, which also strikes balances between tariff reduction and environmental and other international obligations, as well as the position of developing country suppliers in terms of the unilateral preferences. Having different applied tariffs from the EU necessitates more complex negotiations with new or existing trading partners over rules of origin however. Differential tariffs are also a factor to be weighed up in terms of goods at risk of entering the Single Market in terms of implementing the Protocol on Ireland/Northern Ireland.

The biggest reductions in the UKGT compared with the current EU MFN tariffs are on inputs for production or intermediate products whether for food, motor vehicles, or textiles, rather than on finished consumer goods for sale. For foods, electrical and industrial products, or clothing or textiles there are either only modest reductions in applied tariffs, or no reduction at all. In the event of no future relationship being agreed between the UK and the EU, overall 85% of primary agri-food imports from the EU would have a non-ad valorem tariff or tariff of more than 5% applied under the UKGT.

Compared with the temporary No Deal tariffs (the TTR), 4602 product lines have seen their ad valorem tariff unchanged, 2121 product lines seen as increase of between 0 and 5%, 3726 product lines seen an increase of more than 5%. Only 55 product lines have had their ad valorem tariff cut in comparison with the TTR. 918 product lines have had new non-ad valorem tariffs added compared with the TTR. For clothing and

textiles retailers, the importance of the unilateral preferences and completing trade continuity on existing FTAs has risen as a result of the publication of the UKGT. For all retailers, the central importance of a concluded zero-tariff, zero-quotas FTA between the EU and the UK has been affirmed by the UKGT.

The BRC made a submission to the UK Government's consultation calling for a reduction of tariffs on citrus, some leatherware, footwear, textiles and clothing products, ceramics and bicycles.

Reductions from current EU MFN tariffs:

Meats and offal

- Chicken, turkey, poultry, guinea fowl, non-fatty duck, non-fatty geese livers - down from 6.40% to 6%
- Hams, shoulders and cuts thereof of non-domestic swine, salted, in brine, dried or smoked, with bone in, Bellies "streaky" and cuts thereof of non-domestic swine, salted, in brine, dried or smoked (Primates and Reptiles too) - down from 15.4% to 14%
- Horsemeat, salted, in brine or dried - down from 6.40% to 6%
- Reindeer meat, salted, in brine, dried or smoked - down from 15.4% to 14%

Fish

- Fresh or chilled Pacific halibut "Hippoglossus stenolepis" - down from 15.4% to 14%
- Fresh or chilled plaice "Pleuronectes platessa" - down from 7.5% to 6%
- Fresh or chilled Pacific bluefin tuna "Thunnus orientalis" (excl. for industrial processing or preservation) - down from 22% to 20%. Some other modest reductions in tariffs on fish - between 1-2% at most
- Prepared or preserved salmon (excl. whole or in pieces) - down from 5.5% to 4%

Dairy spreads

- Dairy spreads of a fat content, by weight, of $\geq 39\%$ but $< 60\%$ - down from 9% to 8%

Eggs

- Birds' eggs, in shell, preserved or cooked (excl. of poultry) - down from 7.7% to 6%

Honey

- Natural honey - down from 17.30% to 16%

Trees

- Live forest trees - down from 8.3% to 0%

Cigarettes

- Cigarettes, containing tobacco (excl. containing cloves) – down from 57.5% to 50%
- Cigars, cheroots, cigarillos and cigarettes consisting wholly of tobacco substitutes– down from 57.5% to 50%

Vegetables and fruits

- Potatoes, fresh or chilled (excl. new potatoes from 1 January to 30 June, seed potatoes and potatoes for manufacture of starch) - down from 11.50% to 10%
- Onions, fresh or chilled (excl. sets) - down from 9.6% to 8%
- Leeks and other alliaceous vegetables, fresh or chilled (excl. onions, shallots and garlic) - down from 10.4% to 10%
- Fresh or chilled lettuce (excl. cabbage lettuce) - down from 10.4% to 10%
- Fresh or chilled gherkins - down from 12.8% to 12%
- Fresh or chilled leguminous vegetables, shelled or unshelled (excl. peas "Pisum sativum" and beans "Vigna spp., Phaseolus spp.") - down from 11.20% to 10%
- Fresh or chilled celery (excl. celeriac) - down from 12.80% to 12%
- Fresh or chilled mushrooms of the genus "Agaricus" - down from 12.80% to 12%
- Fresh or chilled edible mushrooms (excl. chanterelles, flap mushrooms, mushrooms of the genus "Agaricus" and truffles) - down from 6.40% to 6%
- Peas in pods, of the species *Pisum sativum* of the variety *Hortense axiphium*, frozen, of a thickness of not more than 6 mm, to be used, in their pods, in the manufacture of prepared meals - down from 14.40% to 14%
- Olives, uncooked or cooked by steaming or by boiling in water, frozen - down from 15.20% to 14%
- Jerusalem artichokes and similar roots and tubers with high inulin content, fresh, chilled, frozen or dried, even sliced or in the form of pellets, and sago pith (excl. manioc, arrowroot, salep, sweet potatoes, yams - down from 3% to 2%
- Fresh or dried pistachios, in shell - down from 1.6% to 0%
- Fresh or dried pineapples - down from 5.8% to 4%
- Fresh or dried oranges (excl. fresh sweet oranges) - down from 16.00% (01 JAN-31 MAR, 16 OCT-31 DEC), 12.00% (01 APR-15 OCT) to 12%
- Fresh or dried lemons "Citrus limon, Citrus limonum" - entry price to 6% (simplification)
- Fresh or dried limes "Citrus aurantifolia, Citrus latifolia" - down from 12.80% to 12%
- Fresh melons & watermelons - down from 8.80% to 8%
- Fresh strawberries - down from 11.20% (01 JAN-31 APR, 01 AUG-31 DEC), 12.80% MIN 2.4,Ç"/100kg/net (01 MAY-31 JUL) to 10%
- Fresh raspberries - down from 8.80% to 8%

- Fresh blackberries, mulberries and loganberries - down from 9.6% to 8%
- Fresh blackcurrants - down from 8.80% to 8%
- Grapefruit segments, prepared or preserved, containing added sugar but no added spirit, in immediate packings of a net content of ≤ 1 kg - down from 15.20% to 14%
- Orange juice, unfermented, Brix value ≤ 20 at 20 \rightarrow ∞ C, whether or not containing added sugar or other sweetening matter (excl. containing spirit and frozen) - down from 12.20% to 12%
- Lemon juice, unfermented, Brix value ≤ 20 at 20 \rightarrow ∞ C, value of ≤ 25 GBP per 100 kg, containing added sugar (excl. containing spirit) - down from 14.4% to 14%
- Pineapple juice, unfermented, Brix value ≤ 20 at 20 \rightarrow ∞ C, containing added sugar (excl. containing spirit) - down from 15.2% to 14%
- Cranberry juice concentrate: - of a Brix value of 40 or more but not more than 66, - in immediate packings of a content of 50 litres or more - down from 16.8% to 16%
- Coconut water - unfermented, - not containing added spirit or sugar, and - in immediate packing of a content of 20 litres or more - down from 17.60% to 16%
- Tomato ketchup and other tomato sauces - down from 10.2% to 10%
- Waters, incl. mineral and aerated, with added sugar, sweetener or flavour, for direct consumption as a beverage - down from 9.6% to 8%
- Apricots and oranges, provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption – down from 12.8% to 0%
- Mushrooms, prepared or preserved otherwise than by vinegar or acetic acid (excl. mushrooms of the genus "Agaricus") – down from 18.40% to 0%

Coffee

- Decaffeinated coffee (excl. roasted) - down from 8.3% to 8%
- Roasted coffee (excl. decaffeinated) - down from 7.5% to 6%
- Roasted, decaffeinated coffee - down from 9% to 8%

Spices

- Crushed or ground mixtures of different types of spices - down from 12.50% to 0%
- Thyme (excl. crushed or ground and wild thyme) - down from 7% to 0%
- Crushed or ground thyme - down from 8.5% to 0%
- Bay leaves - down from 7% to 0%

Pastas

- Pasta, stuffed with meat or other substances, whether or not cooked or otherwise prepared, containing > 20% by weight of fish, crustaceans, molluscs or other aquatic invertebrates - down from 8.5% to 8%

Other foodstuffs

- Sweet biscuits, whether or not containing cocoa, coated or covered with chocolate or cocoa preparations, in immediate packings of ≤ 85 g - down from 9.00% + EA MAX 24.20% + ADSZ to 8%
- Peanut butter - down from 12.80% to 12%

Paints and varnishes

- Paints and varnishes, incl. enamels and lacquers, based on synthetic polymers, dispersed or dissolved in a non-aqueous medium (excl. those based on polyesters and acrylic or vinyl polymers) - down from 6.5% to 6%

Clothing, textiles and leatherwear

- Belts and bandoliers, of leather or composition leather – down from 5% to 4%
- Handbags, whether or not with shoulder straps, incl. those without handles, with outer surface of leather, composition leather or patent leather – down from 3% to 2%
- Handbags, whether or not with shoulder straps, incl. those without handles, with outer surface of plastic sheeting – down from 9.7% to 8%
- Wallets, purses, key-pouches, cigarette-cases, tobacco-pouches and similar articles carried in the pocket or handbag, with outer surface of leather, composition leather or patent leather – down from 3% to 2%
- Gloves, mittens and mitts, of leather or composition leather (excl. special sports gloves and protective gloves for all trades) – down from 7% to 6%
- Babies' garments and clothing accessories of cotton (excl. knitted or crocheted and hats, napkins and napkin liners [see 9619]) – down from 10.5% to 10%
- Babies' garments and clothing accessories of synthetic fibres (excl. knitted or crocheted and hats, napkins and napkin liners [see 9619]) – down from 10.5% to 10%
- Brassieres of all types of textile materials, whether or not elasticated, incl. knitted or crocheted (excl. in a set made up for retail sale containing a brassiere and a brief) – down from 6.5% to 6%
- Ties, bow ties and cravats of silk or silk waste (excl. knitted or crocheted) – down from 6.3% to 6%
- Gloves, mittens and mitts, of all types of textile materials (excl. knitted or crocheted and for babies) – down from 7.6% to 6%

- Curtains, incl. drapes, and interior blinds, curtain or bed valances of nonwovens of synthetic fibres (excl. awnings and sunblinds) – down from 6.9% to 6%
- Waterproof footwear incorporating a protective metal toecap, with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes (excl. skating boots with ice or roller skates attached, shin-guards and similar protective sportswear) – down from 17% to 16%
- Footwear with outer soles and uppers of rubber or plastics, with upper straps or thongs assembled to the sole by means of plugs (excl. toy footwear) – down from 17% to 16%
- Footwear covering the ankle, with outer soles and uppers of rubber or plastics (excl. incorporating a protective metal toecap, waterproof footwear of heading 6401, sports footwear, orthopaedic footwear and toy footwear) – down from 16.9% to 16%
- Slippers and other indoor footwear, with outer sole and upper of rubber or plastics (excl. covering the ankle, footwear with a vamp made of straps or which has one or several pieces cut out, and toy footwear) – down from 16.8% to 16%
- Women's footwear with outer soles of rubber, plastics or composition leather, with uppers of leather (not covering the ankle), with a vamp made of straps or which has one or several pieces cut out, with sole and heel height ≤ 3 cm, with in-soles of a length ≥ 24 cm (excl. 6403.11-00 to 6403.40.00) – down from 5% to 4%
- Sports footwear, incl. tennis shoes, basketball shoes, gym shoes, training shoes and the like, with outer soles of rubber or plastics and uppers of textile materials – down from 16.9% to 16%
- Headbands, linings, covers, hat foundations, hat frames, peaks and chinstraps, for headgear (excl. headbands used by sportsmen as sweatbands, knitted or crocheted) – down from 2.7% to 0%
- Umbrellas having a telescopic shaft (excl. toy umbrellas) – down from 4.7% to 4%

Other items

- Tableware and kitchenware, of common pottery (excl. statuettes and other ornamental articles, pots, jars, carboys and similar receptacles for the conveyance or packing of goods, and coffee grinders and spice mills) – down from 5% to 4%
- Glass mirrors, unframed (excl. rear-view mirrors for vehicles, optical mirrors, optically worked, mirrors > 100 years old) – down from 4% to 0%
- Table knives having fixed blades of base metal, incl. handles (excl. butter knives and fish knives) – down from 8.5% to 8%

Tariffs on flours have been liberalised to zero, along with cocoa powder, not containing added sugar or other sweetening matter; vermouth; cases, boxes, crates, drums and similar packings, of wood; pallets and pallet collars, of wood; corks and stoppers, cylindrical, of natural cork; cotton sewing thread, put up for retail sale; single cotton yarn, of uncombed fibres, containing $\geq 85\%$ cotton by weight and with a linear density of $\geq 714,29$ decitex " \leq MN 14" (excl. sewing thread and yarn put up for retail sale); plain woven fabrics of cotton, containing predominantly, but $< 85\%$ cotton by weight, mixed principally or solely with man-made fibres and weighing ≤ 200 g/m², unbleached; single yarn, containing $\geq 85\%$ artificial staple fibres by weight (excl. sewing thread and yarn put up for retail sale); carpets and other textile floor coverings, of wool or fine animal hair, knotted, whether or not made up, containing $> 10\%$ silk or waste silk