



Voluntary Report – Voluntary - Public Distribution **Date:** April 16, 2024

Report Number: UK2024-0016

Report Name: UK Tariff Suspensions - Update

Country: United Kingdom

Post: London

Report Category: Trade Policy Incident Report, Policy and Program Announcements

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Report Highlights:

The United Kingdom (UK) recently announced a number of voluntary tariff suspensions for agricultural and non-agricultural products, including around 70 new agricultural product suspensions. The following report provides an overview on the tariff suspensions and expiry dates. These suspensions are applicable for all countries and without limitations on the volume of exports.

Summary

On March 26 and March 17, the United Kingdom (UK) updated its voluntary tariff suspension for agricultural and non-agricultural products commencing on April 11, 2024. The UK's tariff suspensions announcements are voluntary temporary reductions of the UK's Most-Favored Nation (MFN) applied rate. On March 17, the UK extended post-Brexit tariff suspensions, which were due to expire on December 31, 2024, until December 31, 2028. On March 26, the UK published details on additional tariff suspensions, including approximately 70 agricultural products, to be applied through June 30, 2026. These suspensions are applicable for all countries and without limitations on the volume of exports.

Process

Tariffs suspended under the March 26 announcement followed an application process where stakeholders could apply for tariff suspensions on specific products. The application process was published on June 12, 2023, on <u>Gov.UK</u> and completed on August 6, 2023. A list of requested tariff suspensions can be found <u>here.</u> This process is expected to be repeated every two years or as otherwise notified.

The UK's tariff suspensions announcements are voluntary temporary reductions of the UK's Most-Favored Nation (MFN) applied tariff rate. These suspensions are time-limited and set to a 0 percent tariff rate. The UK maintains the legal right to revert to the UK's published WTO MFN rate at its discretion. Should there be a change of government, this policy may be reviewed.

Outcome and implications

The following table includes a selected group of tariff suspensions and associated U.S. export values. This list only provides a sampling of the overall tariff suspensions, including some products which have previously had significant tariffs.

<u>NOTE</u>: The export values listed in the table below are based on U.S. exports to the UK of products at the four-digit harmonized tariff schedule (HS4) level. The description column is associated with the description provided by applicants requesting tariff suspensions. The final column includes those businesses who submitted applications and consented to publication of their names.

The link of accepted applications can be found here.

Table 1: Sample List of UK Agricultural Tariff Suspensions from Apil 11, 2024

Commodity code	Description	Current tariff rate applied until April 11, 2024	New tariff rate applied from April 11, 2024 through June 30, 2026	U.S. exports to UK (2023, HS4 grouping)	Businesses who submitted application requesting tariff suspension
080211	Almonds, shelled, either whole, sliced or flaked.	Between 0 - 4%	0%	\$205.8m	The Nut and Dried Fruit Trade Association Limited
2106909260	All imports falling within this commodity code, including applicable types of coconut milk.	Between 0 - 12%	0%	\$148m	Unknown
2009899999	All imports falling within this code including applicable prune juice concentrate.	16%	0%	\$9.9m	The Nut and Dried Fruit Trade Association Limited
20091998	Orange Juice not frozen of a Brix exceeding 20 but not exceeding 67, in containers of two liters or more, with a value exceeding 25.00 GBP per 100kg net weight.	Between 0 - 12%	0%	\$9.9m	British Soft Drinks Association Refresco Tropicana Products UK Ltd Fresh Trading Supply BV
110900	Wheat gluten, whether or not dried.	\$540/ton	0%	\$0m	Unknown

What this means for the future

This round of tariff suspensions adds to the already significant <u>list of pre-existing tariff suspensions</u>. The current UK government is tending towards trade liberalization, and is unlikely to lift these suspensions, especially as food inflation remains and important concern for the government. A consistent two-year review of tariff suspensions, evidence by the March 26 announcement, may impact the broader UK applied MFN review process. But, this process also provides greater opportunities for stakeholders, importers, processors and UK producers to apply more consistently for tariff deductions.

Attachments:

No Attachments.