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Dear Constituent,

Thank you for contacting me about trade with the EU from 1st January 2021.

As you may be aware, the Government recently published a new UK most favoured nation (MFN) schedule, known as the UK Global Tariff (UKGT). The UKGT will take effect from 1st January 2021 following the end of the transition period, and for the UK's purposes will replace the EU's Common External Tariff (CET).

Negotiations with the EU on the form of our future relationship are of course still ongoing. The UK is seeking a Canada-style trading relationship with the EU, but if it is not possible to reach an agreement by the end of the transition period, then from 1st January 2021 the UK will apply the UKGT to EU imports, and the EU would apply its Common External Tariff to UK exports.

The Government has consulted with businesses and individuals across the UK on the development of the UKGT, which has been tailored to the needs of the UK economy. Indeed, the UKGT will be simpler and easier to use than the CET as it is calculated in pounds, brings in lower tariffs and rounds tariffs down. Overall, with the UKGT just under 50% of products will be zero tariff, compared to 27% under the CET.

The UKGT also backs UK industries, for example by keeping tariffs on agricultural products like lamb, beef and poultry, as well as maintaining a ten% tariff on cars and tariffs on the vast majority of ceramics imports. At the same time, the UKGT will remove tariffs on £30 billion worth of imports entering UK supply chains.

I hope this response has provided a measure of reassurance.

Thank you again for taking the time to contact me.

Yours faithfully,

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY