

# Transition: Business Readiness Forum

Business Intelligence and Readiness Directorate

# Update on EU Negotiations





Department for  
International Trade

# Continuity Negotiations

Trade Policy Group  
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# What will change after the transition period?

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## **Trading arrangements now (during the transition period)**

- Current EU trade agreements can continue to apply to the UK for the duration of the transition period.
- After the transition period, EU trade agreements will cease to apply to the UK.
- The UK is transitioning existing EU trade agreements with trading partners, to ensure continuity following the transition period.

## **After transition period (from 1 January 2021)**

- Following the transition period, signed trade continuity agreements will enter into effect as part of the UK's ability to pursue an independent trade policy.
- Trade continuity agreements seek to replicate the effects of EU trade agreements as far as possible to provide continuity.



## Continuity Agreements signed

Country / Bloc	Total Trade (£ millions)	% Share of total UK trade
Switzerland	38,579	2.71
Iceland-Norway **	26,834	1.88
Southern Africa Customs Union and Mozambique	12,121	0.85
South Korea	11,659	0.82
Israel	5,125	0.36
CARIFORUM	3,243	0.23
Andean countries (Columbia, Ecuador, Peru)	2,904	0.20
Morocco	2,472	0.17
Chile	2,148	0.15
Eastern and Southern Africa	1,626	0.11
Central America	1,411	0.10
Lebanon	820	0.06
Tunisia	611	0.04
Jordan	534	0.04
Faroe Islands	295	0.02
Pacific states (Fiji, Papua New Guinea)	178	0.01
Switzerland-Liechtenstein	122	0.01
Georgia	178	0.01
Palestinian Authority	11	0.00
Kosovo	9	0.00

To date, the UK has signed or agreed in principle 21 trade agreements, with 49 countries. This includes the UK-Japan Comprehensive Economic Partnership Agreement which was agreed in principle on 11 September 2020. Total UK trade with these countries was worth £142 billion in 2019..

*\*Data covers the period 2020; Office for National Statistics (ONS) statistics on UK total trade: all countries, non-seasonally adjusted January to March 2020.*

*\*\* The United Kingdom signed a trade agreement in goods with Iceland and Norway last year, in event of potentially leaving the EU without a withdrawal agreement. We are now aiming to conclude an FTA with Norway, Iceland, and Liechtenstein (EEA EFTA States) to come into force at the end of the Transition Period.*



## Continuity Agreements remaining

Country / Bloc	Total Trade (£ millions)	% Share of UK trade
Albania	46	0.00
Algeria	2,600	0.18
Bosnia & Herzegovina	195	0.01
Cameroon (Central Africa)	201	0.01
Canada	22,373	1.57
Côte d'Ivoire	401	0.03
Egypt	3,584	0.25
Ghana (Western Africa)	1,244	0.09
East African Community (Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda)	2,068	0.15
Mexico	5,279	0.37
Moldova	414	0.03
Montenegro	117	0.01
North Macedonia	1,792	0.13
Serbia	717	0.05
Singapore	17,470	1.23
Turkey	18,414	1.29
Ukraine	1,533	0.11
Vietnam	5,758	0.40

Agreements are under discussion with countries where there are existing EU trade agreements in place.

If an agreement is not reached by the end of the transition period, trade with other WTO members will take place on WTO terms.

Continuity agreements to enter into effect after the transition period.

**For the latest update or further information, please visit [gov.uk](https://www.gov.uk)**

- The UK and **Japan** reached agreement in principle of the UK-Japan Comprehensive Economic Partnership Agreement on 11 September 2020. The agreement goes beyond the EU-Japan FTA. As such it is not listed in our continuity agreements list.



# How to find further information on trade continuity agreements?

Further information is available on [GOV.UK](https://www.gov.uk):

<https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries>

Through this page, you can find:

- List of continuity agreements signed with countries
- Summaries and texts of agreements signed
- Outline of significant changes between the signed agreement from the EU agreement for each agreement.
- List of countries with which discussions on continuity agreements are ongoing
- Advice on trading under MFN terms (If an agreement is not reached by the end of the transition period)



# What can businesses do to prepare for the end of the transition period?

If you currently trade on an EU-third country trade agreement:

## 1. Check GOV.UK for information and guidance

<https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries>

- To see if a continuity trade agreement has been signed.
- To find about any significant changes between continuity agreements and existing trade agreements.
- Read advice on trading under MFN terms (if an agreement is not reached by the end of the transition period).

## 2. Sign up to email alerts to stay up to date.

## 3. Plan ahead and prepare your business.

- Check rules and restrictions, tax and duty rates for exporting.

<https://www.gov.uk/check-duties-customs-exporting>

Should you have further questions, contact the [Enquiry team](#) or speak to your local [International Trade Advisor](#)



# UK-Japan Comprehensive Economic Partnership Agreement (CEPA)

The UK has secured a free trade agreement with Japan, which is the UK's first major trade deal as an independent trading nation and will increase trade with Japan by an estimated **£15.2 billion**.

The deal is tailored to the UK economy and secures additional benefits **beyond the EU-Japan** trade deal.

UK businesses will benefit from **tariff-free trade on 99% of exports** to Japan. Government analysis shows that a deal with Japan will deliver a **£1.5 billion** boost to the UK economy and increase UK workers' wages by **£800 million** in the long run.

UK manufacturers, food and drink producers and the tech sector are all set to benefit from the measures in the UK-Japan deal, which include:

- Cutting-edge **digital** & data provisions.
- Improved market access for UK **financial services**.
- **Tariff free** access for more UK goods.
- Potential to expand **geographical indication** protection for more iconic UK goods.
- Continued benefit from **access to the low tariffs** for key food and drink products covered by quotas, such as Stilton cheese, tea extracts and bread mixes.