

UK publishes new Global Tariff

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Following consultation in the Spring, on 19 May 2020, the United Kingdom (UK) Government published the UK's new Most Favored Nation (MFN) tariff schedule, along with brief [guidance](#).¹ A summary of public responses to the consultation, and the UK Government's response, have also been published and are available on the [consultation page](#).²

Known as the UK Global Tariff (UKGT), the new schedule will enter into force on 1 January 2021 following the end of the Brexit transition period, provided this is not extended before 30 June 2020. The UKGT will replace the European Union (EU) Common External Tariff, which currently applies to UK imports.

Affected goods

The UKGT will apply to all goods imported into the UK, unless an exception, such as a preferential arrangement or tariff suspension, applies. For example, the tariffs will apply to goods from EU countries should a trade agreement not be reached in time as a part of the EU/UK negotiations into their future relationship. According to the UK Government, from January 2021, it expects 60% of trade will come into the UK tariff free on World Trade Organization terms or through existing preferential access. The UK is maintaining tariffs on certain products to support UK industries such as agriculture, automotive and fishing, and some tariffs will also be maintained to support imports from the world's poorest countries, giving them continued preferential access to the UK market.

In a [news story](#) on 19 May 2020 accompanying the release of the UKGT, the UK Government states that the schedule is “a simpler, easier to use and lower tariff regime than the EU’s Common External Tariff.” Furthermore, it will “scrap red tape and other unnecessary barriers to trade, reduce cost pressures and increase choice for consumers and back UK industries to compete on the global stage.” The changes include scrapping “unnecessary” tariff variations, rounding tariffs down to standardized percentages, and abolishing all tariffs below 2%.

The Government also gives examples of common consumer products, as well as goods that promote a sustainable economy, that will have zero tariffs under the new schedule, such as dishwashers (down from 2.7%), paints (down from 6.5%), LED lamps (down from 3.7%) and bike inner tubes (down from 4%). It is further noted in the published guidance that temporary relief from tariffs for certain goods for tackling COVID-19 will continue to apply in 2021 if necessary, and this will be reviewed throughout 2020.

Businesses can use the [UK Global Tariff tool](#)³ to check the tariffs that will apply to goods they import into the UK from 1 January 2021.

Endnotes

1. <https://www.gov.uk/guidance/uk-tariffs-from-1-january-2021>.
2. <https://www.gov.uk/government/consultations/the-uk-global-tariff>.
3. <https://www.gov.uk/check-tariffs-1-january-2021>.

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