

Tariff-free Brexit deal ‘essential’ to avoid price rises, warns BRC

The British Retail Consortium has piled pressured on the UK government to agree a Brexit trade deal that does not lead to price increases in shops.



In May, the government published the UK Global Tariff - the new tariff schedule that will apply from 1 January 2021 if a Brexit deal with the European Union is not agreed. It will replace the EU's Common External Tariff, which applies until 31 December 2020.

Clothing, shoes, and textiles imports from the EU would be subject to an average tariff of 12% if no agreement is put in place, the BRC said.

Tariffs under the no-deal scenario would be similar to the EU's MFN (Most Favoured Nation) tariffs. This would be the first time since December 1972 that tariffs would apply to trade between the EU and the UK.

A no-deal outcome with the EU is also likely to result in UK tariffs on Turkish

clothing and textile imports.

The BRC said: “Time is running out for both parties to reach an agreement on their future trading relationship, and businesses will need time to implement new systems in time for 1 January 2021. The government must prioritize consumers and secure a deal that ensures no tariffs would be applied to goods imported from the EU.

“Additionally, the deal must keep the impact of non-tariff barriers, such as new regulatory checks, as low as possible to maintain choice and availability.”

Andrew Opie, director of food and sustainability at the BRC, said: “Many UK shoppers experienced disruption in the run-up to lockdown. Without a deal, the public may face an even bigger challenge at the end of the Brexit transition period. With the clock ticking down to 31 December, the government must put consumers first and agree a deal that avoids tariffs and minimizes the impact of non-tariff barriers. This would prevent harm to shoppers, retailers, and the wider economy.”

The UK government and the European Commission are both seeking a zero-tariff, zero-quotas deal, according to the BRC.

That outcome is contingent upon agreement on fisheries, the level playing field, governance, and police and judicial co-operation being reached. If agreement cannot be reached, both sides will trade on the basis of their applied tariffs to third-country imports.

Source: <https://www.drapersonline.com/news/tariff-free-trade-essential-says-brc>

[Disclaimer]