

Since its departure from the EU, the UK has formulated and began implementing an independent trade policy for the first time in decades. This policy has seen the UK embark on a series of Free Trade Agreements (FTA) negotiations with countries including Australia and New Zealand, a renewed focus on exporting, and a Global Britain vision which puts trade at the heart of its strategy.

UK-Israel FTA negotiations launched

During a three-day visit to Israel and the Occupied Palestinian Territories, International Trade Secretary Anne-Marie Trevelyan announced the UK's intention to begin FTA negotiations with Israel later this year, and the of a UK-Israel Innovation Summit taking place in March. The UK government launched a [consultation](#) on how it could amend or improve the current trading arrangements, which closes on **30 March 2022**. The UK is Israel's third largest trading partner; £2.7bn worth of British exports went to Israel in 2020, and the trade relationship is worth £4.8bn, providing UK businesses with potential opportunities to develop and strengthen trade ties.

UK-EU update

While the Trade and Cooperation Agreement (TCA) has been governing the new terms of the UK-EU trade relationship since January 2021, some controls, including certificates and checks on agri-food imports, had been postponed until 1 July 2022. Customs declarations are a complex matter and so businesses are wise to engage with government now on how well they are adapting, and if compliance can be achieved by the summer. One engagement avenue is via the [EU-UK Parliamentary Partnership Assembly \(PPA\)](#) which includes 35 members each from the European Parliament and the UK Parliament. The UK's appointments were [announced](#) days before its first meeting on 27 January. The PPA is expected to meet twice a year from 2022 onwards and will work jointly with the Partnership Council on making the TCA work - including the Northern Ireland Protocol. Since Northern Ireland's DUP first minister Paul Givan resigned over the Protocol, the power-sharing executive faces the prospect of collapse, and now increases the need for all sides to find a solution to make trade flow more easily across the Irish Sea border while ensuring the UK meets its international obligations.

Market focus – CPTPP

The UK formally requested to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in February 2021, with the first working group meeting taking place in September. The UK Government already has bilateral trade agreements with seven of the 11 CPTPP members, and hopes 2022 will see its CPTPP negotiations concluded. While the benefit to British GDP is estimated to be an increase of 0.08%, the hope is that membership of the CPTPP will continue to grow (South Korea applied to join in December 2021), and with it, benefits to the UK economy. In addition, unlike many trade agreements, the CPTPP has a specific chapter on electronic commerce, covering digital trade, data flows, and data protection, highlighting the potential opportunities in these areas for British companies.

British sectors set to benefit include car manufacturers (three CPTPP countries have consistently ranked in the top 10 export destinations for UK car exports), and financial services (the UK's largest export to CPTPP members) to name just two.



TRADE AND INVESTMENT

The UK currently does not have a free trade agreement with any of the six **Gulf Cooperation Council** states (GCC).



Bahrain
Kuwait
Oman
Qatar
Saudi Arabia
UAE

In October 2021, the Government launched a consultation on a trade agreement and homes negotiations will begin in Q1.

Total trade in goods and services between the UK and the GCC

was **£31.3bn**



in the four quarters to the end of Q3 2021

UAW is the largest of those trading partners,

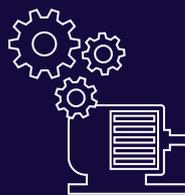
25th largest with **12.3bn**,



accounting for **1.0%** of total UK trade.

[Source >](#)

BIGGEST GCC EXPORTS



Mechanical power generators
(in the top 3 exports for the UK to Bahrain, Qatar, Saudi Arabia, and UAE).



Cars
(In the top 3 for exports from UK to Bahrain, Kuwait, Oman, and UAE)



Medicinal and pharmaceutical products
(in the top 3 exports from UK to Kuwait, and Saudi Arabia)

Country in focus – India

The new year has seen India and the UK begin talks on a potential UK-India FTA, which both sides have stated their aim to conclude by December 2022. With India on track to become the world's third biggest economy, the UK Government has set itself the ambitious target of more than doubling the £21.5 billion traded in 2020 by 2035.

The agreement looks set to benefit companies in both countries operating in hi-tech industries such as life sciences and technology. For the UK, the automotive and food and drink sectors look set to capitalise, as items like Scotch whisky and British cars currently attract tariffs of over 100% when exported to India.

Investment

The last quarter of 2021 saw the UK Government roll out the red carpet for some of the largest organisations in the world at its Global Investment Summit. The one-day meeting was pitched as a catalyst to stimulate investment into the UK. The UK Government committed £12 billion with the aim of creating 250,000 highly skilled green jobs in the UK as one measure to encourage the private sector to invest three times as much by 2030.

With the green recovery still high on the government's agenda, the Prime Minister kicked off the 2022 Africa Investment Conference in January, promising that British business would work with African countries to maximise the benefits from the green industrial revolution. At the Summit, the government committed £11.6bn of its International Climate Finance Fund to help developing countries respond to the climate crisis and encourage investment across Africa in renewable sectors.

Next steps

The UK will begin negotiating the 'rollover' deals it has with Mexico and Canada in April. The UK is also in the early stages of striking a deal with countries in the Gulf and will receive responses from the UK-Israel consultation. However, despite recently celebrating two years since Brexit, industry leaders and ministers have continued to cite problems over aspects of the TCA such as VAT and import payments, and issues remain over the Northern Ireland Protocol, so expect to hear plenty more on how EU and UK trade relations transition in the coming months.

About SEC Newgate

SEC Newgate is an insights and research-driven global strategic communications and advocacy group. We work at the nexus of business, politics, communities, markets, and media to deliver positive outcomes, providing clients with around the clock counsel and implementing campaigns locally, nationally, and internationally.

Our team and global network of 600 consultants provide relevant political insights and policy analysis across five continents. SEC Newgate was one of the first agencies to establish a dedicated trade practice. The team has since provided regular insights and digital and communications support to organisations including the Netherlands Foreign Investment Agency, and lead strategic advocacy programmes for organisations such as Morocco Foodex.