

15 February 2019

U.K. Trade Deals

Miriam González Durántez

The U.K. has been intensively negotiating the terms that will govern its relationship with the EU following a "Brexit." This has been the sole focus of the Press and the Parliament for many months. However, upon leaving the EU, the U.K. will also have to manage its trade with every other nation across the globe (as the current relations with such nations are governed by treaties with the EU which will cease to be applicable on Brexit). The U.K. government had claimed that along with the direct Brexit negotiations, it was also negotiating with other nations and would have agreements in place with many of them.

Ministers had claimed that the U.K. would sign up to 40 free trade deals with non-EU countries "the second after midnight" on 29 March 2019. However, so far the U.K. has only managed to sign seven deals with Switzerland, Zimbabwe, Chile, Madagascar, Seychelles, Mauritius, and the Faroe Islands. The U.K. International Trade Secretary has also announced that agreements will soon be signed with Israel and the Organisation for the Liberation of Palestine (PLO). A few other agreements may follow, but any major breakthroughs are unlikely before the end of March.

This list of agreements is disappointing for a variety reasons:

- It does not include any of the major U.K. trade partners.
- It does not provide for the roll over of the most recent EU agreements that have been concluded with major countries. The most notable examples being the EU agreement with Japan, which came into force on 1 February 2019; or the agreement with Singapore, which has just been given the go-ahead by the EU. The U.K. has been part of the EU negotiations with these two countries while it was known that the UK would soon leave the EU. Negotiating an automatic roll over of those recent agreements should have been easy for the UK government to achieve.
- The agreements do not cover the Mediterranean and Eastern European countries that are part of the Pan Euro Med zone. Concluding those agreements would have facilitated in turn the application of 'diagonal accumulation' of rules of origin as soon as a simple agreement covering goods would have been reached between the EU and the U.K.

In any case, it is worth noting that these are not 'proper' trade agreements, but rather extensions of existing agreements between those third countries and the EU. All that the U.K. government is doing in these negotiations is asking countries to roll over their existing agreements with the EU, but without requesting any of the new trade commitments that the U.K. will want from those countries. If the U.K. government is struggling to negotiate these pro-forma extensions of the existing agreements with small countries, it is unlikely they will succeed in the proper and much more difficult trade negotiations that will follow with bigger third countries.

Tackling those more complex negotiations will require beefing up the U.K. team's negotiating skills. But it will also require closer cooperation between businesses and the Department of International Trade: While consultations have been open to businesses for a while, there is still no meaningful regular dialogue between businesses and the government to decide which will be the winning and losing sectors for each of the agreements and sectors. Setting up this system should be a matter of priority for the U.K., especially in the event of a 'No Deal' Brexit.

The Author:



Miriam González Durántez, a former EU Trade Negotiator at the WTO, leads the International Trade practice at Cohen & Gresser. We advise clients on the practical implications of Brexit; steps to mitigate the impact of the various Brexit scenarios; and ways to prepare for and contribute to trade negotiations with third countries.

[Miriam González Durántez](#)

+44 (20) 8037 2354

mgonzalez@cohengresser.com

About Cohen & Gresser:

Cohen & Gresser is an international law firm with offices in New York, Seoul, Paris, Washington, D.C., and London. Founded in 2002, the firm has been recognized in a wide range of publications, including *Chambers* and *Legal 500*. We serve our clients in a number of practice areas, including Corporate, Employment, Intellectual Property & Technology, Litigation & Arbitration, Privacy & Data Security, Real Estate, Tax, and White Collar Defense & Regulation.

New York | Seoul | Paris | Washington DC | London

www.cohengresser.com

info@cohengresser.com

+44 (0) 20 8037 2330

