

Retail Sector Report

1. This is a report for the House of Commons Committee on Exiting the European Union following the motion passed at the Opposition Day debate on 1 November, which called on the Government to provide the Committee with impact assessments arising from the sectoral analysis it has conducted with regards to the list of 58 sectors referred to in the answer of 26 June 2017 to Question 239.
2. As the Government has already made clear, it is not the case that 58 sectoral impact assessments exist. The Government's sectoral analysis is a wide mix of qualitative and quantitative analysis contained in a range of documents developed at different times since the referendum. This report brings together information about the sector in a way that is accessible and informative. Some reports aggregate some sectors in order to either avoid repetition of information or because of the strong interlinkages between some of these sectors.
3. This report covers: a description of the sector, the current EU regulatory regime, existing frameworks for how trade is facilitated between countries in this sector, and sector views. It does not contain commercially-, market- or negotiation-sensitive information.

Description of sector

4. Unless otherwise stated, retail in this context is defined as sales by retailers directly to end consumers, including spending on goods (in-store and online)¹. This analysis does not cover the movement of materials imported for the goods to be sold, which is covered under consumer goods, food and drink and other sectoral reports.

Diversity of the retail sector

5. Retail is a large and very diverse sector: in size and structure of business, what is sold and to whom, and where and how retailers operate. Products sold range from daily necessities to high-end luxury goods. Industry areas vary considerably in the predominant size of businesses (small, medium, large) and the number of people employed.
6. The numbers and types of retailers is proportionate to the demands of the local population. Historically, this sector has relied on the high street but there is a clear trend towards online sales with retail spending online having increased by 14 per cent in the year to September 2017, accounting for approximately 17 per cent of retail spending².
7. Retail sales data is not broken down by the destination of sales, so it is not possible to differentiate between exports and domestic sales. Online sales of consumer goods is carried out nationwide, in some instances from people's domestic properties or from storage units and using social media as a sales platform. In the last quarter of

¹ [ONS, Standard Industrial Classification code 47](#)

² ONS Retail Sales Index, 19 October 2017

2016, the UK proportion of individuals having ordered/bought goods or services for private use over the internet in the last three months was 78 per cent, the highest proportion of all EU countries.³

Effects of retail on other sectors

8. Given the link between production and consumption, retail is also linked to other sectors of the economy. These include various manufacturing industries, construction, wholesale distribution and the wider logistics sector (including freight transport and cargo handling), as well as warehousing and storage.
9. Retail leads to a beneficial “multiplier effect”, creating jobs and enhancing trade for other consumer-facing enterprises such as: tourism; food and drink; sports and leisure; personal services as diverse as hairdressing and banking; and supporting the evening and night-time economy.

How retail acts as a distribution channel for other industries

10. The UK retail sector is generally broken down into the following categories:
 - food stores: supermarkets, specialist food stores and stores that sell alcoholic drinks and tobacco (categorised as “shops that mainly sell food” here);
 - department stores;
 - automotive fuel in specialised stores;
 - information and communication equipment in specialised stores;
 - textiles, clothing and footwear stores; (categorised as “Clothing shops” here);
 - household goods stores, such as those selling electrical items and furniture;
 - other goods in specialised stores, such as those selling jewellery, toys, sporting goods and books; and
 - “non-store retailing”, which includes retail sale activities by ‘pure-play’ internet retailers, mail order houses (such as via catalogue or phone sales), and market stalls.

³ Eurostat, internet purchases by individuals

Table 1: Key statistics on the retail sector⁴

Retail sub-sector	Gross Value Added (GVA)	GVA % of all retail	Employment	Employment % of all retail
Shops that mainly sell food	£30.3bn	32%	1.18 m	37%
Department stores	£10.4bn	11%	0.32 m	10%
Clothing shops	£14.2bn	15%	0.48 m	15%
Household goods stores	£4.7bn	5%	0.30 m	4%
Other stores	£3.8bn	4%	*	*
Non-store retailing	£5.7bn	6%	*	*
Total Retail	£94.8bn	100%	3.2 m	100%

Source: ONS Annual Business Survey and National Accounts, 2015.

The retail sector and its supply chain

11. There are 192 thousand VAT-registered retailers in the UK, roughly 8 per cent of all registered businesses in the UK. Of these, 173 thousand are micro-businesses (less than ten employees). A further 18 thousand employ less than 250 employees and only 460 are considered large (employing more than 250 employees). These large retailers account for 67 per cent of employment and 72 per cent of turnover. The sector is therefore more concentrated than the UK average, where large firms account for around 40 per cent of employment and 53 per cent of turnover.⁵
12. Internationalisation for some mid-size and large retail businesses can be important as they may not deliver the continued growth and returns they require by operating in the UK domestic retail market alone.

The retail sector's contribution to Gross Value Added (GVA)

13. The UK retail sector generated over £94.8 billion Gross Value Added in 2016, 5 per cent of the economy and 5 per cent higher than in 2015⁶.
14. The total value of retail sales (excluding fuel) in 2016 was £350 billion⁷. The value of retail sales has increased every year for the last twelve years; however, in the year to September 2017, growth in the volume of sales (quantity bought) has been slower (1.6 per cent) than the amount spent (4.6 per cent), indicating an increase in prices overall⁸.
15. By its nature, retail is relatively evenly spread out across the country. While there are, for example, more retailers in London and South East than there are in Northern and midland regions, this is a product of regional populations and economy sizes.

⁴ Note: some parts of retail have been excluded, so percentages do not add up to 100%. * denotes where data has been excluded to prevent disclosure. The above table has been split by SIC codes.

⁵ BEIS Business Population Estimates "UK Divisions", 13 October 2016

⁶ ONS GDP(O) Low Level Aggregates, 25th October 2017

⁷ ONS Retail Sales Index 19th October 2017

⁸ ONS Retail Sales Index, 19th October 2017

16. In 2016, the CBRE ranked London as the most attractive destination for international retailers in Europe, with 57.9% of international retailers having a store in the city, and 65 new retailers having opened locations there in 2016 alone⁹.

Table 2: Geographical Distribution of Retail GVA (Year)

	% of Total UK Retail GVA	Retail GVA as % of Total Region / Country GVA
East Midlands	7%	6%
East of England	10%	7%
London	17%	4%
North East	3%	6%
North West	11%	6%
Northern Ireland	3%	8%
Scotland	10%	7%
South East	13%	5%
South West	7%	5%
Wales	4%	6%
West Midlands	7%	5%
Yorkshire and The Humber	7%	6%

Source: BEIS Calculations based on National Accounts, Regional Gross Value Added and Regional Annual Business Survey.

17. Research by PayPal, in partnership with IPSOS, finds that the UK is the world's third most popular destination for international online shoppers, with 86.4 million consumers from 29 countries reported to have bought products online from the UK in the previous 12 months.¹⁰

⁹ CBRE How Global is the business of retail? 2016

¹⁰ PayPal, [Cross-Border Consumer Research survey, 2015](#). Based on interviews by IPSOS conducted online between 17th September and 28th October 2015, with a total of 23,354 adults across 29 countries.

18. Foreign Direct Investment (FDI) data is available for retail and wholesale trade. This reveals inward investment of £113.2 billion in 2015 (12 per cent of total inward FDI). Of this, £58.6 billion (52 per cent) was from elsewhere in the EU and £25.9 billion (23 per cent) was from the US . Outward investment from the sectors – one of the core ways in which services firms internationalise their business and export – was £46.8 billion in 2015 (4 per cent of total outward FDI). Of this, £34.3 billion (73 per cent) was invested by UK companies elsewhere in the EU and £2.8 billion was invested by UK companies in the US (6 per cent).¹¹

The retail sector's level of employment in the UK

19. The sector accounts for approximately 3.2 million direct jobs or around 9 per cent of the UK's workforce,¹² distributed as follows:

- England 84 per cent;
- Scotland 8 per cent;
- Wales 5 per cent; and
- Northern Ireland 3per cent

20. Employment is spread across the country with the highest share of employment in the sector in London (14 per cent) and the South East (14 per cent), chiefly down to population and economy sizes. Nonetheless, London has the lowest dependency on retail, with 9 per cent of its workforce employed in the sector. Conversely, the areas with the lowest shares of retail employment(Northern Ireland 3 per cent and the North East 4 per cent) have the highest dependency on retail, with 12 per cent of their workforces employed in the sector.¹³

¹¹ ONS, Foreign Direct Investment involving UK companies: 2015, 2 December 2016

¹² ONS Employee Jobs and Self Employed Jobs by industry: 2016, 13 September 2017

¹³ Regional breakdown: BEIS calculations based on ONS Business Registers Employment Survey

Table 3: Distribution of retail employment (Year)

	% of total UK retail employment	Retail employment as % of total region / country employment
East Midlands	7%	10%
East of England	9%	11%
London	14%	9%
North East	4%	12%
North West	11%	10%
Northern Ireland	3%	12%
Scotland	8%	10%
South East	14%	10%
South West	8%	10%
Wales	5%	10%
West Midlands	9%	10%
Yorkshire and the Humber	8%	10%

Source: ONS Business Register and Employment Data, 2016

Trends and future prospects

21. The UK retail sector has had slightly higher economic GVA growth than the economy as a whole over the past couple of decades and, while it was affected by the recession, the retail downturn was much less pronounced than in the rest of the economy. Since 2010, the sector has seen annualised growth of around 2.3per cent against the total UK GVA increase of 2.1 per cent per annum.¹⁴

22. The volume of retail sales (excluding fuel) increased by 1.6 per cent in the year to September 2017, with non-food (household goods, clothing stores) and non-store retailing all providing growth. The amount spent (value) in the retail industry increased at a faster rate, by 4.6per cent in the year to September 2017, as average store prices increased by 3.3per cent¹⁵

¹⁴ ONS, GDP(O) low level aggregates, 25th October 2017

¹⁵ ONS, Retail Sales Index, 19th October 2017

23. In 2016, Savills real estate agents reported that shopping centre investment volumes and retail warehouse markets saw a decrease in the total amount invested into UK shopping centres in 2016 of £3 billion, compared to a total of £4.3 billion in 2015.¹⁶
24. Growth in employment in the retail sector has been slower than the economy as a whole, increasing by roughly 6% since 2000 for the total UK workforce. UK retail employment grew steadily to a peak of over 3.2 million in 2008. Since then, employment has stabilised between 3.1 million and 3.2 million, with a seasonal peak in the fourth quarter of each year.¹⁷

EU funding

25. The retail sector is not a significant recipient of EU funding. EU funding may contribute indirectly – in particular, the range of EU grants and loans for Small and Medium Enterprises (SMEs) which can come from all sectors.

The current EU regulatory regime

26. EU rules that affect retail aim to prevent barriers to trade within the EU and to establish minimum standards in certain specific areas. There are no specific harmonised rules on offline retail at EU level; it is generally regulated at national or even local level, and EU rules aim to remove discriminatory or disproportionate barriers applied to retail service providers. Online retailers are subject to the EU's rules on e-commerce which mean that "information society services" are only subject to regulation in their country of origin, subject to certain minimum standards. Retail is also heavily impacted by harmonised regulation on consumer protection and data protection, as well as all EU regulation of the goods and services that retailers sell.
27. Retail is one of the sectors covered by the Services Directive, which prohibits Member States from imposing requirements or restrictions in the retail trade that are discriminatory or disproportionate. The Services Directive specifies that most new domestic rules affecting retail must be notified to the Commission.¹⁸
28. The EU Commission recently published a study on barriers to retail establishment and is undertaking further economic work to assess restrictiveness in EU Member States' retail sectors. Economic analysis and a peer review in 2014-2015 have concluded that disproportionate barriers to accessing the Single Market exist and restrictive regulations create significant barriers to entry in EU retail.¹⁹ The Commission is likely to issue best-practice guidance on applying the Services Directive to the retail sector in the near future, which will guide more rigorous enforcement against EU Member States with disproportionate retail restrictions.
29. Value Added Tax (VAT) rules are particularly relevant for retail businesses. VAT can impose a major barrier. For example business with warehouses in EU Member States may need to apply for a non-resident VAT registration in that EU country, and

¹⁶ [Savills, UK Shopping Centre and High Street Spotlight, Q4 2016](#)

¹⁷ ONS Employee and Self Employed Jobs, 2016

¹⁸ [EU Services Directive, Gov.UK, August 2012](#)

¹⁹ European Commission's Single Market Strategy, October 2015

goods could attract local VAT and import duties even if intended for ultimate distribution in the UK. From 1 January 2015, there are new place of supply rules for VAT on the supply of digital services to consumers in the EU; VAT on digital services is paid in and at the rate that applies in the consumer's country.

Rules and technical regulations

30. There are several horizontal consumer law rules:

- Directive 2005/29/EC concerning unfair business-to-consumer commercial practices. The directive defines the unfair business-to-consumer commercial practices which are prohibited in the EU. It applies to any act or omission directly related to the promotion, sale or supply of a product by a trader to consumers. It protects the economic interests of consumers before, during and after a commercial transaction has taken place;
- Directive 93/13/EEC on unfair terms in consumer contracts. The Directive protects consumers in the EU from unfair terms and conditions which might be included in a standard contract for goods and services they purchase. It introduces the notion of 'good faith' to avoid any significant imbalance in mutual rights and obligations;
- Directive 2011/83/EU on consumer rights. The Directive seeks to increase consumer protection by harmonising aspects of national legislation on contracts between customers and sellers, and also encourages trade between EU countries, particularly for consumers buying online;
- Directive 2006/114/EC concerning misleading and comparative advertising. The Directive seeks to protect traders against misleading advertising from other businesses (i.e. business to business), which is equivalent to an unfair commercial practice. To this end, it determines the conditions under which comparative advertising is authorised;
- Directive 99/44/EC on certain aspects of the sale of consumer goods and associated guarantees. The Directive harmonises those parts of consumer contract law on the sale of goods that cover legal guarantees and, to a lesser extent, commercial guarantees (warranties);
- Directive 98/6/EC rules on indicating prices of products sold to consumers. The Directive requires the selling price and the unit price of all products offered by traders to consumers, to be clearly indicated in order to improve consumer information and to enable price comparisons;
- Directive 2013/11/EU on alternative resolutions for disputes between traders and consumers. The Directive ensures that EU consumers can submit their contractual dispute with an EU trader over a product or service to an alternative dispute resolution (ADR) entity — a recognised body whose role is to resolve disputes by means of ADR procedures, i.e. without going to court; and
- Regulation (EU) No 524/2013 on Online Dispute Resolution (ODR) for consumer disputes. The regulation aims to create an ODR platform (website) at EU level.

Consumer protection

31. Across all sectors, the Unfair Commercial Practices Directive, Unfair Contract Terms Directive, Consumer Rights Directive, Misleading and Comparative Advertising Directive, Sale of Consumer Goods and Associated Guarantees Directive and Price Indication Directive regulate advertising, contracts, practices and the right to return goods.
32. Enforcement of consumer law is covered by the Injunctions Directive and the Consumer Protection Cooperation Regulation. The Injunctions Directive requires a system of independent public bodies to exercise injunctions where collective harm is suffered by consumers. Consumer Protection Cooperation (CPC) establishes a pan-EU network of national enforcement authorities (the CPC network) and lays down the general conditions and a framework for cooperation between them. The CPC network identifies infringements of EU consumer laws and coordinates surveillance and enforcement action in one Member State when consumers' interests in another Member State have been harmed.
33. The Alternative Dispute Resolution Directive (ADR) requires Member States to ensure that an alternative to the courts, provided by a certified ADR body, is available for any dispute concerning contractual obligations between a consumer and a business. The Online Dispute Resolution (ODR) Regulation requires all online traders to carry a link to the European Commission's web-based ODR platform.
34. Wider civil judicial cooperation is also important for consumers because it provides a framework to obtain redress. Regulations such as the Recast Brussels Regulation²⁰ set out the rules which determine which courts have jurisdiction to hear cross-border cases and then allow judgments from one Member State to be enforced in another. They have special jurisdictional rules for consumers so that in many cases consumers are able to bring action in their local courts rather than having to go to the courts in the country where a company is based or where a product was bought. Similarly, the Rome I Regulation provides that the consumer's Member State's law will often apply in preference to the trader's. This allows the consumer to sue the trader using their domestic law. Regulations such as the European Enforcement Order and European Order for Payment (both with special jurisdiction rules for consumers) make it easier to obtain and then enforce undefended judgments across borders. For example, where a consumer seeks redress from a company but that company does not respond to the court action. The Small Claims Regulation provides a simplified procedure to obtain judgments in cross-border cases valued at €2,000 or less (€5,000 or less from next summer) and have those judgments enforced in another country.
35. The Price Marking Order 2004 implements the Price Indication Directive. Where goods are offered for retail sale, the final selling price and, where appropriate, the unit price (for example, 65p per kg) must be given to consumers in writing (including prices in catalogues, shops and online). The UK has taken advantage of a transitional derogation to exclude small shops that have a retail area of less than 280m² so that they do not need to display a unit price to reduce burdens on SMEs.

²⁰ Revised legislation

36. SMEs are covered by EU consumer protection legislation to the extent that the contracts they enter into as traders are with consumers. There have been some limited instances where EU consumer protection legislation exempts small retail businesses from certain provisions. For example, the Price Indication Directive (referred to above).

Product regulation and standards

37. Before a product can be sold on the market, it must meet essential safety requirements in relevant UK or EU product regulation. Where there are harmonised EU standards, manufacturers can often use these voluntary standards to demonstrate that their product meets these essential requirements. In the absence of harmonised standards, other European standards, or international standards; standards may be set at the national level. Standards represent an industry-led consensus on best practice. Under the EU's New Legislative Framework (NLF), many areas of product regulation have been harmonised to facilitate the free movement of goods on the internal market. Under NLF, specific obligations are placed on all economic operators, for example retail distributors are required to check that the products they sell meet relevant labelling and marking requirements, and are accompanied by the correct documentation. All economic operators play a key role in supporting market surveillance authorities to ensure that only safe, compliant products are sold on the market.

Data and privacy

38. The retail sector is covered by a number of rules that particularly impact on the tech sector (and data-enabled firms generally) relating to how personal data can be collected, stored, shared and used.

39. The Data Protection Act 1998 (which implements the requirements of the 1995 EU Data Protection Directive), sets out rules for processing personal information used by organisations, businesses or the Government. Everyone responsible for using personal data has to follow rules called 'data protection principles'. The EU General Data Protection Regulation (GDPR) updates and replaces the 1995 Directive as the EU standard and will be directly applicable in UK law from 25 May 2018. The Data Protection Bill 2017 was introduced into the UK Parliament on 13 September and will provide for a comprehensive and modern framework for data protection in the UK, in accordance with the General Data Protection Regulation and the Law Enforcement Directive. The GDPR introduces new rights for individuals and sets out clear regulatory rules for business. The Commission and Member States regard Data Protection reform as a key enabler of the Digital Single Market.

40. The ePrivacy Directive gives people specific privacy rights in relation to electronic communications. It has been implemented by the UK through the Privacy and Electronic Communications Regulations. The Commission recently proposed a revision of the Directive. There are specific rules on:

- marketing calls, emails, texts and faxes;
- cookies (and similar technologies);

- keeping communications services secure; and
 - customer privacy as regards traffic and location data, itemised billing, line identification, and directory listings.
41. The Database Directive creates an exclusive right for database producers, valid for 15 years, to protect their investment of time, money and effort, irrespective of whether the database is in itself innovative. The Directive harmonised copyright law applicable to the structure and arrangement of the content of databases. Its provisions apply to both analogue and digital databases.
42. The Reuse of Public Sector Information Directive provides a common legal framework for a European market for government held data. It is built around two key pillars of the internal market: transparency and fair competition. It focuses on the economic aspects of reuse of information rather than on the access of citizens to information. It encourages the Member States to make as much information available for reuse as possible.
43. The proposed Digital Single Market Free Flow of Data Initiative aims to address barriers to the efficient access, storage and use of data across EU borders, in order to unlock economic growth. It covers a number of strands, key being proposed legislation on data localisation (e.g. preventing Member States from making it mandatory for their citizens' data to be stored on their territory) and a communication on emerging issues, which encompasses questions around access, re-use, ownership, liability, interoperability and portability of data. Proposals will affect UK businesses dealing with datasets and data organisations in the EU.

Online and digital

44. The following two Directives impact on providers of digital content and online services:
- The Electronic Commerce Directive seeks to ensure the free movement of "Information Society Services" across the European Community. "Information Society Services" are any service provided at a distance, by means of electronic equipment for the processing and storage of data, and at the individual request of a recipient of a service. It covers online services provided for remuneration, and non-remunerated services such as those offering online information or commercial communications, or those providing search, access and retrieval of data; and
 - The proposed Directive on Contracts for the supply of digital content which is currently being negotiated would introduce EU-wide consumer contractual rights when buying digital content (software, games, streaming, cloud storage etc.). It aims to establish clear basic rights as to quality and functionality based on existing consumer rights which apply to goods, and to set appropriate and practical remedies for breach of contract. For the Directive to apply, the digital content would have to be supplied against some form of counter performance by the consumer, either monetary (payment of a price) or in the form of data (e.g. the consumer's personal data).

45. The EU is in the process of implementing the Digital Single Market which modernises the EU framework, making it easier for consumers and businesses to take advantage of EU wide opportunities. For example, measures that simplify rules for cross-border online purchases will make it easier for consumers to access the best deals from across Europe, allowing businesses to take advantage of the opportunities that digital provides to sell across borders. More generally, the Services Directive seeks to simplify measures and removes legal and administrative trade barriers to make it easier for businesses to provide services in the Single Market.
46. A draft Directive on the online and distance selling of tangible goods – for which negotiations are yet to begin in detail in the Council – would partially replace the current Sale of Consumer Goods and Associated Guarantees Directive (1999) listed above. It aims to harmonise post-sale consumer contractual protections in order to increase cross-border distance commerce.

Rules affecting devolved areas of responsibility

47. In terms of consumer law:

- In Northern Ireland, consumer law is fully devolved in both consumer protection and consumer advocacy areas (although Regulations implementing EU Directives made in Westminster often cover the whole of the UK, with Northern Ireland agreement);
- In Scotland, consumer advice and advocacy is devolved while consumer protection is reserved; and
- In Wales, consumer law is fully reserved.

48. Other issues that impact on the retail sector are generally taken at a local level such as planning issues.

49. Gibraltar, as part of the European Union, has the Data Protection Act 2004 in place, which builds on the EU Directive of 1995. Jersey, Guernsey, Isle of Man are all regarded as 'adequate' by the Commission for the purposes of personal data transfer which means they can receive a free flow of personal data from the EU, following an assessment that their data protection legislation is "essentially equivalent" to the EU's). EU legislation for Retail does not apply to the other UK Overseas Territories.

Existing frameworks for how trade is facilitated between countries in this sector

50. The arrangements described in this section are examples of existing arrangements between countries. They should not be taken to represent the options being considered by the Government for the future economic relationship between the UK and the EU. The Government has been clear that it is seeking pragmatic and innovative solutions to issues related to the future deep and special partnership that we want with the EU.

51. There are a number of existing arrangements, which govern the way in which other countries trade with each other in this sector. The sector characteristics of retail mean that it is significantly affected by horizontal customs and services regulation, as well as legislation facilitating online commerce.
52. In terms of existing arrangements facilitating broad trade in services, the baseline is the World Trade Organisation's (WTO) General Agreement on Trade in Services (GATS). GATS is a services-specific multilateral agreement that has been used as a basis for services liberalisation since it came into force in January 1995. All WTO Members are parties to GATS which sets out general rules, principles and obligations as a framework for trade in services; plus a schedule of commitments which set out how open and non-discriminatory parties commit to be across the service sectors covered.²¹
53. GATS also sets out 'how' parties will allow services to be traded and this is split into four principal 'modes': where a product rather than a service supplier/consumer crosses a border; where the consumer of the service crosses a border; where the company crosses a border (e.g. a retail chain opening a new establishment in another country); and where the service provider moves. Commitments taken by parties vary and parties can unilaterally choose to improve their GATS offers at any point (subject to a certification procedure) or lower the level of their commitments, but in order to do so they will be expected to offer compensatory concessions.
54. In terms of regulations governing e-commerce trade, some provisions are included in the EU-Korea Free Trade Agreement, as well as in the EU-Canada Comprehensive Economic and Trade Agreement (CETA). CETA includes a chapter on e-commerce, which includes commitments to reduce customs duties on electronic deliveries.
55. Customs arrangements are increasingly important for retail sector due to the rising demand for cross-border online purchases. The EU has customs facilitation agreements with a number of third countries, including Canada, South Korea and Switzerland. These agreements differ in the depth and scope of facilitation offered, but in summary, include:
- CETA provides, for example, that the parties adopt or maintain simplified customs procedures in order to facilitate trade between the Parties and reduce costs for importers and exporters. The Parties agree to applying risk assessment principles to the decision to examine goods, rather than requiring each shipment offered for entry to be. The EU and Canada also undertake to cooperate on interoperable systems and in international fora;
 - EU-South Korea Free Trade Agreement - provides, for example, the advance electronic submission and processing of information before physical arrival of goods, in addition to the parties endeavouring to apply simplified procedures for economic operators; and
 - Agreement with Switzerland - provides for general cooperation and administrative assistance, mutual recognition of inspections and documents

²¹ The UK is a member of the WTO in its own right, but its current commitments are listed in wider EU schedules.

certifying compliance with the other parties' rules, in addition to the facilitation of 24 hour crossing and express lanes. The Swiss agreement also provides for mutual recognition of Authorised Economic Operators, and facilitation in respect of security-related customs controls.

Sector views

[This information was provided by the Government to the Committee, but the Committee has decided not to publish this section]

HOUSE OF COMMONS EXITING THE EUROPEAN UNION COMMITTEE

ANNEX: STAKEHOLDER ENGAGEMENT ON EU EXIT IN THE DEPARTMENT FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

[This information was provided by the Government to the Committee, but the Committee has decided not to publish this section]

HOUSE OF COMMONS EXITING THE EUROPEAN UNION COMMITTEE