Dear Neil

SUBMISSION OF UK’S GOODS SCHEDULE AT THE WORLD TRADE ORGANIZATION

I am writing to inform you that the UK’s schedule of goods pursuant to the General Agreement on Tariffs and Trade (GATT) has been formally sent to the World Trade Organization (WTO) Secretariat, for circulation by the WTO Secretariat to all WTO members. This represents an important milestone in the UK’s transition at the WTO as part of our exit from the European Union (EU), and a step towards an independent UK trade policy. A copy of the schedule will be placed in the library of the House once it has been circulated.

As the Secretary of State for International Trade set out to Parliament in a statement on 5 December 2016, we see our WTO transition as a technical exercise in which we will not change our existing rights or obligations. We are therefore notifying UK specific schedule through the GATT’s 1980 procedures for rectification. The process for certifying a goods schedule can be completed in a minimum of three months. During this, WTO members are able to, and frequently do, object to the rectification of Members schedule. Achieving consensus on the UK’s proposed GATT schedule may take time, but this will not impact trade. The UK would continue to trade on the terms to be proposed in our schedule while we complete the certification process. If concerns are raised, we will, as we have to date, engage WTO members in an open, inclusive and transparent manner. We expect our UK-only schedule to come into force, certified or uncertified, once the EU’s schedule of goods ceases to apply to the UK.

When the Committee examine this schedule, they will find that it replicates the UK’s current commitments as set out in the EU’s schedule. The apportionment methodology that we have used to set out our future Tariff Rate Quotas (TRQs) is the best way to maintain existing market access, protect trade flows and respect the rights and obligations of all WTO members. This is a methodology we worked closely with the European Union to develop. For TRQs, it is based on historic trade flows during a representative period, for which we have used 2013 to 2015. For Aggregate Measurement of Support (AMS), the UK figure can be worked out by referring to the original calculations made for the European Economic Community’s AMS in 1994. Both of these methodologies show no overall increase in market access afforded through TRQs and total AMS limits between the EU27 and UK.

I will keep you updated as this work progresses.

GEORGE EUSTICE MP