



Trade Developments

16 July 2025

Hello and welcome to this edition of Trade Developments.

For more on international trade, check out our dedicated [webpage](#), or email tradesupport@deloitte.co.uk to enquire about our trade policy briefings.

Economic Prosperity Deal enters into force

The UK-US Economic Prosperity Deal came into force on 9 July, which reduces US tariffs for UK automotive and aerospace goods to 10% and 0% respectively. The deal also includes an exemption from the global 50% tariff on steel and aluminium (25% applied to UK), with further reductions towards 0% on core steel products anticipated once US concerns on supply chain security have been met. The US is still working on agreements with a number of other countries and [announced](#) that they would extend the pause on reciprocal tariffs until 1 August to allow more time for negotiations.

CFO Survey

Deloitte's Q2 2025 UK CFO survey reveals a significant upswing in the UK's attractiveness as an investment destination. The UK now ranks alongside India as the most desirable location for investment, a marked improvement from its sixth-place ranking in Q4 2024. This positive shift is reflected in a rise in CFO risk appetite, with 17% now viewing it as opportune to increase risk exposure on balance sheets - a notable increase from the previous quarter. This increased willingness to take on risk suggests a move away from purely defensive investment strategies, although these remain a significant priority. The improved outlook for the UK as an investment destination may be partly attributed to an easing of geopolitical concerns, potentially linked to the UK-US trade deal announced earlier this year. The CFO survey can be found [here](#).

UK Trade Strategy

At the end of June, the government announced its [Trade Strategy](#). Deloitte's Tax and Trade Policy Group has now published its analysis, highlighting that the strategy provides a clearer framework for business to be able to plan for future policy development. While not radically altering the UK's trade policy model, the strategy does sharpen the focus on core economic goals. For exporters and businesses with complex supply chains, the emphasis on digital customs systems, targeted market access and regulatory cooperation may yield commercial gains. The article suggests businesses should assess how they can benefit from upcoming changes. Proactive businesses that adapt to these changes and engage with policy change will likely be best positioned to succeed. Read the article [here](#).

Mansion House speech

On 15 July, Chancellor Rachel Reeves delivered her Mansion House speech to the financial services sector. She also set out the [Leeds Reforms](#) and launched the [Financial Services Growth and Competitiveness Strategy](#), including a number of [supporting documents](#). The Leeds Reforms aim to remove barriers to attracting investment in the finance sector "by reintroducing informed risk-taking into the system, cutting unnecessary red tape, driving more finance into public markets and actively helping international companies to set up in the UK". The strategy sets out the government's ten-year plan "to drive the growth and competitiveness of financial services in the UK", as part of the government's modern industrial strategy.

UK Internal Market Act Reform

The government has implemented reforms to the UK Internal Market Act, effective 15 July 2025, designed to significantly improve trade between the four nations. Following feedback from businesses, rules will now be made "in a way that is more transparent, streamlined, and considers a broader evidence base".

The government hopes that the changes will mean businesses are able to operate more efficiently and with greater certainty, while allowing devolved governments flexibility to set rules aligned with their priorities. However, the changes will exclude provisions related to Northern Ireland which are covered under the Windsor Framework. The government's readout can be found [here](#).

UK-France Partnership

The UK and France have launched a new Industrial Strategy Partnership, the first of its kind in Europe. This follows the UK-France Summit where French companies pledged over £1 billion in investments into the UK. This partnership, a key component of the UK's Modern Industrial Strategy, focuses on boosting economic collaboration in high-growth sectors like technology, clean energy and advanced manufacturing. The initiative strengthens the existing UK-France bilateral trading relationship, already worth £104 billion in 2024. The partnership builds upon significant existing collaboration in energy, aviation, technology and finance, and aims to accelerate the green and digital transitions while enhancing economic resilience and innovation. The government's press release can be found [here](#).

Japan-UK Investment

The UK has secured a significant £7.5 billion investment from Japan's Sumitomo Corporation, which the government hopes will bolster key infrastructure and clean energy projects. Minister for Investment Baroness Poppy Gustafsson finalised the deal in Tokyo and commented "We're serious about clean energy as a key growth sector, and deals like this create high value jobs, and encourage further investment into our world-leading industry".

The partnership will focus on offshore wind and hydrogen initiatives. The agreement builds on existing strong UK-Japan economic ties and further strengthens the UK's position as a leader in clean energy. The government's announcement can be found [here](#).

UK-Turkey FTA

The first round of negotiations for an enhanced UK-Turkey Free Trade Agreement (FTA) concluded successfully in Ankara on 2 July 2025. The [government announcement](#) on the discussions described them as "constructive", focusing on ambitious outcomes in areas such as sustainability, women's economic empowerment, labour rights and the regulatory environment.

Progress was also made in discussions on trade in services, including digital, financial and professional business services. While industrial products are already fully liberalised and agricultural goods partially liberalised under the existing FTA, both sides worked to establish ambitious baselines for future trade in goods across all sectors. The second round of negotiations is scheduled for Autumn 2025.

UK – Taiwan Trade Ties

UK Trade Minister Douglas Alexander has visited Taiwan for the 27th round of annual trade talks, signalling a renewed push to deepen economic ties with the world's 22nd largest economy. During the visit, Minister Alexander and Taiwanese Deputy Minister Cynthia Kiang chaired talks focused on streamlining digital trade and unlocking opportunities in investment, energy and net zero. The Enhanced Trade Partnership (ETP) Pillars signed during the trip aim to modernise trade relations across key sectors.

Bilateral trade with Taiwan reached £9.3 billion in 2024, and the UK Government sees scope to grow this further by removing inefficiencies and improving digital infrastructure. The government's press release can be found [here](#).



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