



# Trade Developments

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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](mailto:tradesupport@deloitte.co.uk) to enquire about our trade policy briefings.

## Tariffs

President Trump has announced a range of tariff measures and while the highest tariffs have been postponed for most countries, they are still in place for China. A new 125% tariff on Chinese goods is in addition to the previous 20% tariff, taking the rate to 145%, although some Chinese technology products have been exempted. Most countries face a 10% tariff, though cars, steel and aluminium are subject to 25% tariffs and goods from Mexico and Canada not covered by the USMCA trade deal pay 25%. China has retaliated by imposing new tariffs of its own on US goods and the EU has approved a package of retaliatory measures, but implementation has been deferred by 90 days. The alerts from our US firm covering these topics can be found [here](#).

Deloitte’s CFO survey closed on 31 March - two days before the US announced new tariffs - and amid increasing speculation about upcoming changes to US trade policy. According to the survey, CFOs of the UK’s largest businesses are assuming their most defensive strategy stance since the early days of the pandemic, in the face of rising operating costs and significant uncertainty over tariffs. In addition, the findings show that - even before the official announcement on broad tariffs made in the last fortnight - finance chiefs’ concern over geopolitical risk and protectionism had risen to its highest level since Russia’s invasion of Ukraine, at a weighted average rating of 74. The CFO survey can be found [here](#).

## UK Reaction to US Policy

Prime Minister Keir Starmer visited the US at the end of February for bilateral talks with President Trump. While in the US, the two leaders discussed cooperation on a range of topics, including Ukraine, emerging technologies and tariffs. After the talks, British officials clarified that the UK and the US are not negotiating a comprehensive free trade agreement, but rather a narrower deal on tech and trade. Commenting on the talks, Starmer said “we’ve decided today to go further, to begin work on a new economic deal with advanced technology at its core.” The government’s press release can be found [here](#).

Following the imposition of US tariffs on the UK, the Prime Minister’s spokesperson said that talks with the US were continuing regardless and that the government ruled nothing out in its response. Commenting on the talks, US Vice-President JD Vance said that there was a “good chance” of an agreement being reached with the UK. In parallel, the UK Department for Business and Trade is seeking views from businesses on potential measures in responding to the new US tariffs – the consultation can be found [here](#).

## Reeves on EU Reset

Chancellor Rachel Reeves has called for a renewed push to strengthen post-Brexit trade ties with the EU, citing increasing global tariffs as a key reason to position the UK as a place of stability. Ahead of a major UK-EU summit on May 19, Reeves stressed the need to ease trade barriers, particularly for small businesses. While ruling out a return to the EU Customs Union, she emphasised that it was time for the UK to “refresh our relationship [with the EU] and make it easier for businesses to trade”. The interview with the Financial Times can be found [here](#).

## German Ambassador on a Customs Union

Germany’s ambassador to the UK, Miguel Berger, has urged Britain to strike a customs union deal with the European Union, suggesting Turkey’s customs arrangement with the bloc as a possible model. Speaking at the British Chambers of Commerce, Berger argued such a deal would cut red tape and simplify trade between the UK and the EU. The proposal could conflict with the government’s manifesto promises not to rejoin the EU’s Single Market or Customs Union. The government’s current plans instead focus on areas such as a sanitary and phytosanitary (SPS) agreement, a security pact and greater access for services.

## UK - India Free Trade Agreement

The UK and India are "very close" to finalising a free trade agreement (FTA), according to Indian High Commissioner Nidhi Mani Tripathi, who described the agreement as a "game changer" for both economies. The agreement, which has been under negotiation since January 2022, is expected to enhance trade certainty and boost services trade between the two nations. Talks recently resumed after a pause following last year’s elections in both countries, with 15 negotiation rounds completed so far. The latest UK update on the talks can be found [here](#).

## UK Government Announces Digital Pilot with US Customs

The UK government has revealed plans for a digital pilot aimed at simplifying trade processes between the UK and the US. Tax Minister James Murray outlined that the pilot would focus on streamlining communication between HMRC, US Customs and businesses by utilising digital credentials and real-time data transfers. This initiative will aim to improve the efficiency of UK-US supply chains and enable businesses to request trade benefits more easily, making cross-border trade smoother for trusted traders in both countries. The government’s announcement can be found [here](#).

## New UK Board of Trade

The government has unveiled a revamped Board of Trade to help 5.5 million SMEs expand globally as part of its ‘plan for change’. Announced by Business and Trade Secretary Jonathan Reynolds, the Board includes business leaders who will act as sector ambassadors to drive exports and growth. Alongside this, a three-day SME summit at Wilton Park is bringing together government, trade bodies and business leaders to shape the UK’s Small Business Strategy, focusing on entrepreneurship, digital adoption, finance access, and exports.

To tackle SME funding challenges, the government has also launched a Call for Evidence to assess finance accessibility and barriers for underrepresented groups. Small Business Minister Gareth Thomas said, “For small businesses, getting off the ground is one of the hardest parts of scaling up, and access to finance is crucial.” The government’s announcement can be found [here](#).



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