



Trade Developments

27 June 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.

US–UK Economic Prosperity Deal

Following a meeting between Keir Starmer and Donald Trump at the G7 in Canada, the White House issued a Presidential Order implementing the US–UK Economic Prosperity Deal, announced on 8 May 2025. As a reminder, this deal includes a US import quota of 100,000 UK vehicles, subject to a reduced 10% tariff. Aircraft manufacturers will also benefit from the removal of the 10% baseline US tariffs on UK aerospace products. However, tariffs on UK steel and aluminium will remain at 25%, pending compliance with US supply chain and ownership conditions.

The deal also aims to boost US exports, including beef, ethanol and other agricultural products, and both sides have committed to negotiating preferential treatment for UK pharmaceutical products, subject to a US national security investigation. The White House announcement is available [here](#) and the UK’s update can be found [here](#).

UK Trade Strategy

The UK government has launched its new Trade Strategy, positioning the UK to become the “most connected nation in the world”. The strategy marks a shift to a more agile, pragmatic and data-driven approach, centred on accelerating sector-specific trade wins rather than pursuing large free trade agreements.

It includes a new £5 billion Ricardo Fund to help regulators and overseas trade teams to address regulatory barriers abroad, an expanded UK Export Finance offer of £80 billion (a £20 billion uplift) and new support to help SMEs scale internationally. The UK’s trade defence tools will also be strengthened, with reforms to the Trade Remedies Authority.

The trade strategy also commits to establishing or upgrading existing recognition of professional qualifications with key markets in sectors including law, accounting, engineering and architecture. The plan prioritises high-growth services and green sectors, alongside deeper bilateral work with key partners such as the US, India, the EU, and Gulf states. It also announces that the UK will join the Multi-Party Interim Appeal Arbitration Arrangement – the new arrangement at the WTO for trade dispute appeals. The government states that the strategy reflects a more focused model that will deliver faster and more commercially relevant outcomes. The government’s press release can be found [here](#) and the full strategy can be found [here](#).

EU-UK Gibraltar Agreement

On 11 June, the European Commission and the UK concluded years of post-Brexit negotiation with a political agreement outlining future arrangements in respect of Gibraltar. The agreement aims to boost regional prosperity and improve relations between Gibraltar and Spain all while preserving the Schengen area, the EU Single Market and Gibraltar sovereignty. Key achievements include the removal of all physical border checks between Gibraltar and Spain, the establishment of a dual border control system at Gibraltar’s port and airport, and agreements on customs co-operation and indirect taxation.

The route is now clear for negotiating teams to finalise the full legal text and proceed with the respective internal procedures leading to the signature and ratification of the future agreement. The full joint statement on the negotiations is available [here](#) (UK) and [here](#) (EU).

UK Industrial Strategy

On 23 June, the Department for Business and Trade published [The UK’s Modern Industrial Strategy](#), which sets out “a new economic approach to backing the UK’s strengths, with ambitious plans for 8 high-growth sectors.” Among other things it acknowledges the need for further reform and simplification of the UK customs system to reduce burdens on business and provide the stability and certainty needed for long-term investment decisions. The UK government also published [sector plans](#) for five of the eight high-growth focus sectors (Advanced Manufacturing, Creative Industries, Clean Energy, Digital and Technologies, and Professional and Business Services). The sector plans for Life Sciences, Financial Services and Defence will be published in the coming months, with the Financial Services plan expected to be published alongside the Chancellor’s Mansion House speech on 15 July. Separately, the Ministry of Housing, Communities and Local Government (in conjunction with the Scottish and Welsh governments) has published the [Industrial Strategy Zones Action Plan](#), which brings the freeports and investment zones programmes together as Industrial Strategy Zones (ISZs).

Steel Consultation

The government has launched a six-week consultation inviting steel producers, unions and consumers to help shape the UK’s future trade defence regime for steel. The move is aimed at delivering longer-term protections for the sector ahead of the expiry of the current safeguard measure in June 2026, which cannot be extended under WTO rules. The government states the review will help ensure robust defences against unfair imports and build more resilient supply chains, following earlier interventions to support key UK sites at Port Talbot and Scunthorpe. The government’s announcement can be found [here](#).

UK-Switzerland Negotiations

The seventh round of the UK-Swiss enhanced Free Trade Agreement (FTA) negotiations took place in London between 5 and 13 June 2025. The enhanced FTA is aiming to boost bilateral trade, currently valued at over £45 billion annually. The agreement seeks to secure market access for UK services, facilitate data flows and simplify business travel. Progress has been made in several key areas, with further negotiations planned for Autumn 2025. The government’s press release can be found [here](#).

UK-Morocco Partnerships

During a visit to Morocco, Foreign Secretary David Lammy signed a series of agreements which could see UK companies bidding for major infrastructure projects over the next three years. This includes involvement in the £1.2 billion Casablanca Airport project and the potential to support World Cup host cities. The government states that this will inject substantial funds into the UK construction sector and build on Britain’s legacy of delivering major sporting infrastructure. Beyond the World Cup, agreements covering healthcare, water management and port infrastructure will further boost UK exports and expertise, with a particular focus on sustainable technologies and innovation. The Government’s announcement can be found [here](#).

UK-Bahrain Partnership

The UK has strengthened its economic ties with Bahrain, securing a substantial £2 billion investment commitment. The Strategic Investment and Collaboration Partnership (SIP) surpasses the previous £1 billion pledge and focuses investment on key growth sectors identified in UK’s Industrial Strategy. The money will be invested in sectors including financial services, technology, and decarbonisation.

Government officials have hailed the £2 billion investment as a major vote of confidence in the UK economy, highlighting the country’s pro-business environment and its attractiveness for international investors. Bahrain is a member of the Gulf Co-operation Council (GCC), and a free trade agreement with the GCC was recently identified as a key target for the government. The UK’s press release can be found [here](#).

Holyhead Border Facility

A £51 million border control post at Parc Cybi near Holyhead, intended to carry out post-Brexit checks on animal and plant imports from Ireland, will for now remain unused. The site was built to enforce sanitary and phytosanitary (SPS) checks following the UK’s departure from the EU and was scheduled for completion by autumn 2025. However, under the new UK-EU Common Understanding, agreed in May, routine checks on many agri-food imports may no longer be required, meaning the site is unlikely to be commissioned.

The Welsh Government has announced it will not proceed with staffing or final commissioning of the Holyhead site until the full details of the new agreement are confirmed. Similar sites in Fishguard and Pembroke Dock have also been cancelled. The UK government’s explainer on the SPS agreement can be found [here](#).

SME Export Awards

Twelve UK small and medium-sized enterprises (SMEs) have been recognised for their outstanding export achievements in the Department for Business and Trade’s (DBT) 2025 "Made in the UK, Sold to the World Awards." Now in their third year, these awards highlight the UK’s strength in sustainability and AI innovation, showcasing businesses exporting solutions to global challenges.

This year’s winners, selected from hundreds of entries across twelve categories will receive a comprehensive promotional package including membership to the Chartered Institute of Export & International Trade, a working capital masterclass, and promotion across DBT channels. The government’s press release can be found [here](#).

Trade Factsheets

DBT has released its latest factsheets on the UK’s trade corridors. The factsheets summarise the latest statistics on trade and investment, including exports, imports, total trade, regional trade, FDI and more. The factsheet release can be found [here](#).

