



# 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.

## Trump Inaugurated

On 20 January, Donald Trump was inaugurated as the 47th President of the United States. On day one of his administration, Trump issued several executive orders, memoranda and proclamations covering a wide range of issues, including the US border, government reform and climate change.

On his first day back in the White House, President Trump opted not to impose any trade tariffs, instead choosing to initiate a review of all US trade relationships, to identify "any unfair trade practices by other countries" and recommend remedial actions. The President opted not to implement a universal tariff on all imports, stating "we're not ready for that yet", but identified 1 February as the date he intends to implement tariffs of 25% on imports from Canada and Mexico.

When asked how the EU could avoid future tariffs, Trump stated that “one thing they can do quickly is buy our oil and gas”. He also delayed the implementation of the TikTok ban by 75 days, with the aim of establishing a joint venture between TikTok and a US firm. If an agreement could not be reached, the President stated that he could apply tariffs on imports from China.

For further reading on the incoming administration's tax policy priorities, please see [this report](#) by our US team. For more information on the impact of US trade policy please contact [James Caldecourt](#).

## UK-US Trade Relationship

Shortly before President Trump’s inauguration, Keir Starmer gave an interview to Politico, where he stated that he has “been clear that we would like to have discussions about a trade deal with the U.S.” Starmer also rejected the “argument that there’s a binary choice between a reset with the EU and a deal with the U.S.” Currently, there are no ongoing FTA negotiations between the US and the UK; however, there may be appetite to build on existing state-level memoranda of understanding (MoUs) or to agree other trade-related measures at a national level. The interview with Politico can be found [here](#).

## UK-Swiss Qualifications Agreement

The UK and Switzerland have reached an agreement on professional qualifications, which will make it easier for British citizens to work in Switzerland and vice versa. The UK-Switzerland Recognition of Professional Qualifications Agreement replaces the expired Citizens’ Rights Agreement. The new agreement ensures that UK professionals continue to have a “smooth and transparent route for their qualifications to be recognised in Switzerland”. The agreement covers lawyers, auditors, driving instructors and cabin crew.

Welcoming the new agreement, Business and Trade Secretary Jonathan Reynolds said the government “wants to make it as seamless as possible for UK businesses to operate abroad.” Adding, “With the UK and Switzerland being two global leaders in services trade, this agreement is testament to our unwavering commitment to economic growth”. The government’s press release can be found [here](#).

## Pan-Euro-Mediterranean Convention

EU Vice-President Maroš Šefčovič has suggested that the UK could join the Pan-Euro-Mediterranean Convention (PEM). PEM is a set of common rules of origin and cumulation among the 25 PEM contracting parties, including the EU, EFTA, Georgia, Ukraine and others. Speaking in Davos, Mr Šefčovič said the “ball is in the UK’s court” with regards to joining PEM.

When asked about the possibility of the UK joining PEM Business and Trade Secretary Jonathan Reynolds said that joining PEM did not cross the government’s red lines and was a “positive and helpful contribution” from Šefčovič. He continued that: “it proves... that we can improve the terms of trade with the EU in a way which doesn’t revisit customs unions or single markets or the arguments of Brexit”.

## Fishing Dispute Heads to Court

The UK and the European Union have headed to an arbitration tribunal over a dispute regarding fishing rights. The EU launched the dispute in April 2024, being the first case under the UK-EU Trade and Cooperation Agreement to reach arbitration. If the tribunal finds that the UK has breached its treaty obligations, then it has 30 days to comply; otherwise, the EU may seek compensation or suspend other provisions of the TCA. The tribunal will take place from 28 to 30 January, and a final report is expected in May. A House of Commons Library report on the subject can be found [here](#).

## UK Internal Markets Consultation

The government has launched a consultation as part of a review of the UK’s Internal Market Act. The UK’s internal trade is worth around 20% of the economies of Scotland, Wales and Northern Ireland. The review will aim to balance devolved decision-making on regulation and the integrity of the UK’s internal market. Commenting on the review, Minister of State for Trade Policy Douglas Alexander said that his department would “ensure that Devolved Governments and businesses with an interest can contribute and make their voice heard”. The government’s press release can be found [here](#).

## Trade Envoys

The UK has appointed 32 parliamentarians as trade envoys and tasked them with increasing the UK’s exports. The new envoys are drawn from across the political spectrum and will identify trade and investment opportunities for businesses in their target markets. Commenting on the appointments, Business and Trade Secretary Jonathan Reynolds said the trade envoys “will use their experience, expertise, and knowledge to unlock new markets around the world for British businesses.” The government’s press release can be found [here](#).

## Colorado MoU

The UK has announced another Memorandum of Understanding (MoU) with an individual US state, this time with Colorado. Like the other MoUs, it is not legally-binding and does not immediately alter day-to-day trading operations. However, it creates a dedicated forum for businesses to highlight barriers to trade in the hope that the parties to the agreement can resolve them over the longer term. It also agrees deeper cooperation in priority areas such as clean energy and low emissions technology, space and digital.

The UK now has nine such agreements, with the others being Texas, Florida, Washington, Utah, Indiana, North Carolina, South Carolina and Oklahoma. The full text of the MoU can be found [here](#).



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