



Trade Developments

29 May 2026

Hello and welcome to this edition of Trade Developments.

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UK-GCC free trade agreement negotiations conclude

On 21st May, the UK concluded negotiations on a free trade agreement with the Gulf Cooperation Council, becoming the first G7 country to do so with the bloc. Bilateral trade currently stands at approximately £53 billion and the UK government expects the agreement to increase trade by £15.5 billion annually in the long term, with a potential £3.7 billion increase to UK GDP by 2040.

Under the agreement, the GCC will remove tariffs on 90% of tariff lines worth £580 million within 10 years, with £360 million of tariffs on UK goods removed on entry into force. Key UK sectors expected to benefit include automotive, life sciences and agri-food. Conversely, the UK has agreed to eliminate all tariffs on current imports from the GCC.

On trade in services, the agreement largely locks in existing levels of market access, alongside measures to support the free flow of data and limit data localisation requirements. The FTA will also include commitments to improve investor protection and improve on existing business mobility rules for UK travellers. In addition, binding commitments on government procurement have been secured with Bahrain and the United Arab Emirates, providing access to certain public contracts. While the full text of the agreement has not yet been released, the government press announcement can be found [here](#). Read Deloitte's latest article on the FTA [here](#).

UK call for input on tariff suspensions

The UK has opened a call for input on potential tariff suspensions for over 100 goods covering agri-food, fertilisers and kerosene. As part of the "Great British Summer Savings" scheme, the government is considering temporarily removing tariffs on goods including certain fruits, olive oil and chocolate as well as fertilisers to support households and businesses from rising costs. The government is seeking views on the impact of reducing tariffs, with responses due by 24 June. The full call for input can be found [here](#).

Mexico ratifies UK's accession to CPTPP

Mexico has completed its domestic ratification process to approve the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). As a result, UK businesses will be able to trade with Mexico under CPTPP terms from 22 June 2026. Of the 11 CPTPP members that were already parties to the treaty when the UK acceded, Canada is now the only country yet to complete its domestic ratification process for the UK's accession.

Separately, negotiations for Costa Rica to join CPTPP have concluded. Once Costa Rica's accession is in force, UK businesses will benefit from duty-free access (with a quota) for products including cheese and animal feed, alongside a phased reduction in duties on a range of agri-food products. For services, accession should provide greater certainty and transparency for UK-Costa Rica trade, with improved market access in areas including professional services. Read the government announcement [here](#).

Government outlines planned European Partnership Bill

During the state opening of Parliament, the government confirmed their intention to introduce the European Partnership Bill. The Bill will provide a framework which allows the government to implement agreements reached as part of its 'reset' of relations with the EU.

Following the UK-EU Summit in May 2025, negotiations are ongoing aimed at reducing trade frictions in areas including electricity, emissions trading and food and drink. Negotiations are expected to conclude this summer, when the next summit is expected to take place. The government announcement can be found [here](#).

Latest UK trade statistics

Total UK exports grew by 2.7% in the 12 months to March 2026, driven by a 7.1% increase in service exports which offset a decline in goods exports. UK imports also grew substantially during the same period across goods and services, with a 4.2% and 5.2% increase respectively.

The latest government Trade and Investment Factsheets show the United States remains the UK's largest single trading partner, accounting for 17.5% of total UK trade, totalling £331.5 billion in 2025. Germany accounts for the second largest share of total UK trade at 8%, followed by the Netherlands at 6.3%. The government announcement can be found [here](#).

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