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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 to enquire about our trade policy briefings

US tariff developments

Read the latest analysis of US tariff developments, including IEEPA refunds and Section 301 investigations, in this article, published by Deloitte US.

UK introduces steel trade measures

From 1 July, the UK's steel safeguard measures will be replaced with a new steel trade measure, introducing quotas across 20 categories of steel that can be produced in the UK. The new system will reduce overall quota levels by 51%, with imports outside quotas subject to 50% tariffs. This compares to a 25% tariff on such imports under the previous steel safeguard measures. From the same date, the EU will reduce tariff-free quotas across 26 product categories of steel by an average of 47% and increase their out-of-quota tariff rate to 50%.

The final quota reduction of 51% is notably lower than the 60% reduction originally proposed when the policy was first announced in March 2026, following a period of industry engagement. The UK Government has also confirmed transitional arrangements are in place, with goods under contract before 14 March 2026 but not yet imported exempt from the 50% out-of-quota tariff until 30 September 2026. The Government announcement can be read here.

UK-EU summit postponed

The second UK-EU summit, which had been scheduled to take place on 22 July in Brussels, has been postponed following the resignation of Prime Minister Keir Starmer. Negotiations covering a Sanitary and Phytosanitary area to ease border checks on agri-food, a link between the UK and EU's emissions trading systems and a youth mobility scheme were expected to be concluded at the summit. Those negotiations remain ongoing and a new date for the summit is expected to be announced for later in the year, once a new Prime Minister is in place. The European Commission briefing can be found here.

UK-Malaysia digital trade negotiations

On 22 June, the UK and Malaysia launched negotiations on a new digital trade agreement. The agreement will aim to remove barriers to digital trade and strengthen international digital and technology cooperation between the two. Benefits of the agreement could include reduced paperwork and trade frictions through online systems and strong protections for personal data, intellectual property and online consumers.

The UK and Malaysia are both members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which includes a digital trade chapter. However, the UK and Malaysia will aim for the digital trade agreement to go further than existing rules to make digital trade more secure through cross-border data flows. The UK has previously concluded digital trade agreements with Singapore and Ukraine. The Government announcement can be read here.

UK publishes customs measures

On 23 June, the Government published its Tax Update 2026, which included a package of customs-related announcements. On low-value imports, the Government confirmed it would bring forward the introduction of new arrangements for goods valued at £135 or less, targeting implementation by October 2028. Previously the Government stated it would remove the customs duty relief for low-value imports by March 2029 with a consultation on the changes closing in March 2026. The change aligns the UK more closely with the US, which removed its de minimis exemption in 2025, and the EU, which introduced a temporary flat €3 customs duty on low-value imports from 1 July.

Separately, a consultation had been launched on introducing mandatory registration requirements for customs intermediaries who submit declarations on behalf of traders. A call for evidence has also been published on a broader modernisation of the UK customs regime, including how the UK's existing approach should be updated for growing digital trade. The Government announcement can be read here.

UK to introduce new supply chain due diligence rules

On 23 June, the UK Government announced its intention to introduce mandatory supply chain due diligence requirements for businesses trading in certain commodities (e.g. rubber, coffee, timber, soy, palm oil, cocoa) in Great Britain. The proposed regime has been designed to mirror the scope of the EU Deforestation Regulation (EUDR), which requires operators to provide geolocation data on production plots and submit due diligence statements demonstrating that goods are legally produced and deforestation-free.

Under the Windsor Framework, Northern Ireland follows EU single market rules, meaning EUDR will apply from 30 December 2026. By mirroring the EU requirements, the Government is seeking to ensure that businesses do not face divergent due diligence obligations within their supply chains across the UK and EU. The Government announcement can be found here.

CPTPP Joint Ministerial Statement

CPTPP parties met virtually on 26 June and confirmed that preparatory accession discussions will now begin with the UAE, the Philippines, and Indonesia. As deepening Indo-Pacific commercial relationships was one of the primary reasons for UK accession, their potential addition would expand the agreement's strategic value. Parties also agreed to establish an ad hoc working group on rules of origin and customs administration, and reaffirmed trade and investment dialogues with both ASEAN and the EU. The joint statement can be found here.