



## Trade Developments

27 March 2026

Hello and welcome to this edition of Trade Developments.

For more on international trade, check out our [dedicated webpage](#), or [email](#) to enquire about our trade policy briefings.

### US tariff developments

Read the latest analysis of US tariff developments, including IEEPA refunds, in [this article](#), published by Deloitte US.

### UK publishes new Steel Strategy

On 19 March, the UK government published a new steel strategy, aimed at stabilising the domestic industry and raising the proportion of domestically produced steel used in the UK to 40-50% of demand. A central component of the strategy is a reduction in quotas for steel imports, with overall quota levels reduced by 60% from 1 July 2026. In addition, steel imports outside of the revised quotas will face a 50% tariff, doubling the current 25% rate. The increased tariff rate aligns the UK more closely with other major economies including the US and the EU.

The strategy places renewed emphasis on direct support for the domestic industry, particularly as it navigates the transition to lower carbon production. Commitments include increasing support under the British Industry Supercharger scheme to reduce electricity costs for energy-intensive industries and £2.5 billion in funding to rebuild and modernise the industry. The government also committed to exploring the formation of an international agreement on steel to improve trading arrangements with the UK's largest trade partners. The full strategy can be found [here](#).

### UK-EU Sanitary and Phytosanitary Agreement

The UK government has published guidance on the legislation that will fall within the scope of the proposed UK-EU Sanitary and Phytosanitary (SPS) Agreement, marking a significant step forward in the broader reset of the UK's relationship with the EU. Negotiations were announced following the May 2025 UK-EU Summit, with the SPS Agreement designed to make it easier, cheaper, and quicker to move food, plants, animals, and related goods across borders.

Under the agreement, the UK will align with EU SPS legislation across food safety, food labelling, organics, agri-food marketing standards, and the regulation of pesticides and biocides, with businesses expected to take action to ensure compliance with the new requirements. The UK and EU have signalled their shared ambition to conclude the agreement ahead of the next EU-UK Summit, currently being targeted for the first half of 2026. The full list of legislation in scope can be found [here](#).

### UK-India Free Trade Agreement Impact Assessment

The UK government has published its impact assessment of the UK-India Free Trade Agreement (FTA), setting out the potential economic, sectoral, and environmental consequences of the agreement. The assessment finds that the FTA is expected to increase UK GDP by 0.13%, equivalent to £4.8 billion in the long run, while reducing import duties on UK exports to India by around £400 million upon entry into force, rising to approximately £900 million after ten years.

UK exports to India are estimated to increase by 59% in the long run, equivalent to a £15.7 billion rise, with bilateral trade overall projected to grow by £25.5 billion annually. The assessment also notes that continued work will be needed to address non-tariff barriers and that a monitoring report is planned approximately two years after implementation to assess delivery of the agreement's benefits. The full impact assessment can be found [here](#).

### UK removes tariffs on offshore wind energy components

From 1 April, the UK will remove import tariffs on 33 industrial goods used to manufacture offshore wind energy equipment. Eligible components including rotors, cables and machinery for use in turbine blades will be able to enter the UK without tariffs under a new authorised use measure, conditional on the goods being used for the purpose of offshore wind energy production. The tariff reduction is designed to enable UK manufacturers to produce components at a lower cost, supporting the UK's ambition to become a clean energy "superpower". The government announcement can be found [here](#).

### Draft UK-EU Agreement in Respect of Gibraltar

The UK government has published the draft treaty text of its landmark agreement with the European Union in respect of Gibraltar, resolving one of the last major unresolved issues stemming from Brexit. The agreement, which was reached politically in June 2025 following negotiations that began in October 2021, removes tariffs, duties, and quotas on goods moving between Gibraltar and the EU. To facilitate fluid movement across the border, the majority of goods destined for Gibraltar will be cleared by EU customs offices in Spain, allowing them to enter Gibraltar without further checks, with separate arrangements ensuring the continued movement of military goods to the territory.

Gibraltar's unique geographic and economic position necessitated a bespoke arrangement, as it was not covered by the UK-EU Trade and Cooperation Agreement following the UK's departure from the EU. The new treaty explicitly protects British sovereignty and UK military autonomy over key facilities, including the RAF base, and also opens the door to direct flights between Gibraltar and EU destinations which have been restricted for decades. The full legal text was finalised on 12 December 2025 and is currently undergoing legal review before proceeding to signature and ratification, which will require approval from both the UK and European Parliaments. The draft agreement can be found [here](#).

### UK-China Clean Energy Memorandum of Understanding

The UK government has published a new Memorandum of Understanding (MoU) on clean energy cooperation with China, signed in Beijing on 17 March 2025 by Energy Secretary Ed Miliband and the National Energy Administration (NEA). The agreement aims to facilitate opportunities for British and Chinese companies to collaborate on green manufacturing, clean energy, and sustainable investment. The MoU does not create legally binding rights or obligations but signals the UK's intent to pursue cooperation with China on the clean energy transition. The text of the MoU can be found [here](#).

The MoU builds on a broader reset of UK-China relations, with Prime Minister Starmer visiting China in January 2026, the first such visit by a British prime minister since 2018, bringing a delegation focused on expanding trade ties. During that visit, the UK and China also agreed to launch a Bilateral Services Partnership to deepen practical cooperation and increase market access for services firms.

### European Commission proposes Industrial Accelerator Act

The European Commission formally proposed the Industrial Accelerator Act (IAA) on 4 March 2026, setting out a package of measures designed to boost manufacturing, create jobs, and accelerate industry's transition to cleaner technologies across the EU. The Act introduces new 'Made in EU' and low-carbon requirements in public procurement across strategic sectors including steel, cement, aluminium, and automotive, with the ambition of increasing manufacturing's share of EU GDP from 14.3% in 2024 to 20% by 2035.

To simplify investment, the Act creates a single digital one-stop-shop for permitting and establishes Industrial Acceleration Areas to encourage clean manufacturing clusters, while foreign direct investments exceeding €100 million in strategic sectors will be subject to local content and employment requirements. The proposal will now be negotiated by the European Parliament and the Council of the EU before adoption and entry into force. The Commission's announcement can be found [here](#).

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