Twitter Thread by Peter Ungphakorn



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The first day back at work at the WTO.

What's happened to the UK's commitments ("schedules") on goods (tariffs, tariff quotas, farm support) and services in the WTO now that the Brexit transition is over, and the UK no longer applies the EU's commitments?

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NEW UK DOCUMENT

The UK has circulated a new document outlining the latest situation with the commitments on goods and services, various agreements, applied tariffs and preferences (GSP, UK-EU deal), WTO dispute settlement, trade remedies, laws

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WORLD TRADE ORGANIZATION

WT/GC/226

4 January 2021

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END OF THE UK-EU TRANSITION PERIOD

COMMUNICATION FROM THE UNITED KINGDOM

The following communication, dated 31 December 2020, is being circulated at the request of the delegation of the United Kingdom.

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1 INTRODUCTION

1.1. As Members will recall, the United Kingdom was a founding party to the GATT 1947, and is an original Member of the WTO, in its own right. As set out in document WT/GC/206, the United Kingdom ceased to be a Member State of the European Union at 23.00 GMT on 31 January 2020. As of this date the United Kingdom and the European Union entered into a time-limited transition period ("the transition period"). The transition period will come to an end at 23.00 GMT on 31 December 2020.

1.2. To assist Members in their ongoing engagement with the United Kingdom, this note sets out some of the implications of the end of the transition period for the United Kingdom at the WTO.

2 SCHEDULES AND AGREEMENTS

2.1. For the duration of the United Kingdom's membership of the European Union and for the duration of the transition period, the United Kingdom's concessions and commitments on goods and concessions and specific commitments in services were contained within the schedule of concessions and commitments on goods and schedule of concessions and specific commitments in services of the European Union.

GOODS
Tariffs, tariff quotas, farm support

The UK is now applying the commitments it proposed in 2018 with amendments in May and Dec 2020 (correcting errors) even though they have not been agreed.

5 rounds of talks. Some agreement, or “close” to

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GOODS

2.2. On 24 July 2018 the United Kingdom's draft schedule of concessions and commitments on goods, Schedule XIX – United Kingdom, was circulated for certification in document G/MA/TAR/RS/570 under the Procedures for Modification and Rectification of Schedules of Tariff Concessions.[1] Subsequent addenda to that schedule were circulated on 28 May 2020 in document G/MA/TAR/RS/570/Add.1 and on 16 December 2020 in document G/MA/TAR/RS/570/Add.2 (*together* Schedule XIX). Members will also recall by virtue of the joint letter from the Permanent Representatives of the United Kingdom and European Union dated 11 October 2017, the apportionment of the European Union's existing tariff rate quota commitments. Schedule XIX set out those apportioned tariff rate quota commitments for the UK.

2.3. In document G/MA/TAR/RS/570, the United Kingdom undertook to inform Members concerning the date of application of Schedule XIX. The United Kingdom hereby notifies that, following the conclusion of the transition period, the United Kingdom will proceed, with effect from 23.00 GMT on 31 December 2020, to fully respect all the concessions and commitments in Schedule XIX. That includes, pursuant to Article XXVIII:3 and 5 GATT 1994, the modification of its tariff rate quota commitments as set out in Schedule XIX.

[1] Decision of 26 March 1980, L/4962

SERVICES

The UK is now also applying its proposed commitments on services. These have not been agreed either, but only one other country (understood to be Russia) is in negotiations with the UK. The rest have not raised objections.

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SERVICES

2.7. On 3 December 2018 the United Kingdom's schedule of concessions and specific commitments in services and the United Kingdom's list of Article II GATS (MFN) exemptions were circulated for certification in documents S/C/W/380 and S/C/W/381 under the relevant procedures.[2] The period for objections to the certification of that schedule and list of Article II GATS (MFN) exemptions expired on 17 January 2019. The United Kingdom continues to consult with one Member under these procedures. From the end of the transition period, the United Kingdom will fully respect the schedule of concessions and specific commitments set out in document S/C/W/380 (as corrected by document S/C/W/380/Corr.1) and the Article II (MFN) Exemptions as set out in document S/C/W/381, pending completion of the procedures contained in documents S/L/84 and S/L/106 respectively. The United Kingdom will update Members following the conclusion of these procedures.

AGREEMENTS

The UK confirms accession/ratification in its own right

- Government Procurement
- intellectual property (amendment)
- Trade Facilitation
- Civil Aircraft
- information technology products (duty-free)

● pharma products (duty-free)

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AGREEMENTS

2.8. There are also a small number of agreements, negotiated since the conclusion of the Marrakesh Agreement establishing the World Trade Organization, in which the United Kingdom participated as a Member State of the European Union, but to which the United Kingdom was not party in its own right. Upon the expiry of the transition period the United Kingdom has taken appropriate steps, where required, to accede to those agreements or confirm its continued acceptance and implementation of these agreements, as set out below.

2.9. Regarding the Government Procurement Agreement (the 'GPA'), the United Kingdom deposited its Instrument of Accession on 2 December 2020 (WT/Let/1498), ensuring that from 1 January 2021 the GPA will enter into force for the United Kingdom in its own right (WT/Let/1503).

2.10. Regarding the Protocol Amending the TRIPS Agreement (the 'TRIPS Amendment'), the Protocol Amending the Marrakesh Agreement (the 'Trade Facilitation Agreement'), and the 2015 Protocol to the Agreement on Trade in Civil Aircraft, the United Kingdom has deposited Instruments of Continued Acceptance ensuring that, from 1 January 2021, the United Kingdom continues to participate in its own right in these agreements (WT/Let/1500, WT/Let/1501, WT/Let/1502).

2.11. Regarding the 1996 Ministerial Declaration on Trade in Information Technology Products ('the 1996 ITA'), the 2015 Ministerial Declaration on the Expansion of Trade in Information Technology Products (the 2015 'ITA Expansion'), and the Agreement on Trade in Pharmaceutical Products (the

The rest of the WTO agreements were signed by the UK itself, as well as the EU, so no need to do anything.

But the UK has notified that it is now responsible for the affairs of two bailiwicks in the WTO—Guernsey and Jersey.

Does anyone know why?

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2.12. As set out in the communication from the United Kingdom to the Director-General of the WTO dated 15 October 2019 (WT/Let/1450), the United Kingdom has extended the application of its ratification of the Marrakesh Agreement establishing the World Trade Organization to the Bailiwicks of Guernsey and Jersey, for whose international relations the United Kingdom is responsible. The United Kingdom has subsequently written to the Director-General of the WTO to confirm that this extension takes effect upon the expiry of the transition period, at 23.00 GMT on 31 December 2020 (WT/Let/1499).

TARIFFS

(3.1) The UK “Global Tariff” applies tariffs (which can be below the binding commitments) on imports from countries without preferences (ie “MFN”).

The UK informs WTO members that it will apply these, but not a formal “notification”

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3 MFN AND PREFERENTIAL APPLIED TRADING ARRANGEMENTS

3.1. On 19 May 2020 the United Kingdom announced the 'UK Global Tariff', the MFN tariff regime that the United Kingdom would apply following the end of the transition period. The up to date details of that tariff regime were set out in domestic legislation on 16 December 2020. That tariff regime will be in effect following the end of the transition period, and will be notified to WTO Members under the appropriate procedures shortly. The full details of the tariff regime can be found at https://www.gov.uk/guidance/uk-tariffs-from-1-january-2021.

3.2. The United Kingdom has also introduced its own Generalised Scheme of Preferences (GSP). The United Kingdom GSP will provide the same level of access as the current European Union trade preference scheme, and will be notified to WTO Members under the appropriate procedures shortly. The full details of the GSP regime can be found at https://www.gov.uk/guidance/trading-with-developing-nations-from-1-january-2021.

3.3. The United Kingdom has also agreed a number of preferential trade agreements with other Members, which are being notified to the Committee on Regional Trade Agreements in line with normal practice under the Transparency Mechanism.

3.4. One of those preferential trade agreements is that agreed between the United Kingdom and the European Union on 24 December 2020.

3.5. This agreement sits alongside specific provisions of the UK-EU Withdrawal Agreement[3] relating to goods placed on the market prior to 1 January 2021, and other special arrangements including by virtue of the Protocol on Ireland/Northern Ireland, and the Protocol on the Sovereign Base Areas. Further details on the operation of the Protocol on Ireland/Northern Ireland can be found at https://www.gov.uk/government/publications/the-northern-ireland-protocol.

PREFERENCES

(3.2) The UK tells WTO members it is sticking to preferences for developing countries previously given under the EU’s Generalised Scheme of Preferences

(GSPs come from UNCTAD which uses S=System. For some reason UK/EU use S=Scheme)

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FREE TRADE AGREEMENTS (1)

(3.3) The UK will formally notify its free trade agreements [continuity deals + 2] as required. These will be discussed in the WTO Regional Trade Agreements Committee (for transparency only—approval not needed)

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FREE TRADE AGREEMENTS (2)

(3.4, 3.5) The two that are not a continuity agreements are

- the UK-EU post-Brexit agreement. Only the trade parts are relevant to the WTO—not even the fishing rights
- the Withdrawal Agreement with Irish Protocol

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WTO DISPUTE SETTLEMENT

The UK says it can participate as itself instead of through the EU

REMEDIES

The UK now has its own system, notified to the committees on anti-dumping, subsidies and safeguards. Measures applied by the EU: retained & reviewed

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4 DISPUTES

4.1. Until the expiry of the transition period, the United Kingdom was treated as a Member State of the European Union for the purpose of ongoing WTO disputes to which the European Union was a party. Following the end of the transition period, the United Kingdom will be able to launch and defend WTO disputes in its own right.

5 REMEDIES

5.1. The United Kingdom has put in place a domestic trade remedies system coming into full effect from the end of the transition period. The United Kingdom has notified its remedies legislation and competent authority to the Committees on Anti-Dumping Practices, Subsidies and Countervailing Measures, and Safeguards.

5.2. To facilitate continuity in the circumstances of its departure from the European Union, the United Kingdom has retained those definitive trade remedy measures which applied before the end

[3] Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community
https://www.gov.uk/government/publications/new-withdrawal-agreement-and-political-declaration

of the transition period and which met certain criteria. Each retained measure will undergo a review, which could in some cases lead to it being varied or revoked. The United Kingdom will continue to notify in line with its WTO obligations.

EU LAWS ETC

Many EU laws have been “mirrored” in UK law. There will be modifications. The UK will notify members through the WTO committees as required.

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6 ENGAGEMENT WITH WTO REGULAR BUSINESS

6.1. The United Kingdom will continue to engage fully and constructively with other Members in the regular work of the WTO.

6.2. Some European Union legislation which previously applied in the United Kingdom on issues of relevance to trade with other WTO Members has been retained in United Kingdom domestic law and therefore relevant United Kingdom legislation mirrors that which was in place while the United Kingdom was a European Union Member State.[4] There have also been modifications in a number of policy areas, and the United Kingdom will provide relevant information to WTO Members, in line with its notification obligations, at the earliest point possible. The United Kingdom will ask the Secretariat to circulate a number of such notifications in the coming weeks. The United Kingdom looks forward to engaging with interested Members on those notifications and related issues, including in the WTO's regular committees. More information on trading with the United Kingdom following the end of the transition period can also be found at https://www.gov.uk/transition.