

Keeping tariffs on our friends, but removing them from our critics! Why?!

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Part Two of Catherine McBride's look at the cost-of-living-crisis – and how the failure to fully exploit the Brexit opportunity to abolish import tariffs is being paid for by higher prices in the shopping baskets of the British public. Part 1 can be found [here](#).

By Catherine McBride – 4 minute read

GOING THROUGH the tariff changes in the UK-New Zealand trade agreement is a particularly depressing experience. Here's how.

New Zealand has been able to compete internationally by excelling at producing a limited number of products. Unfortunately, whoever negotiated the new trade deal for the UK had no intension of lowering tariffs on any of those products in the short term, with the middle-class exceptions of Honey, Kiwifruit and Wine. Yet any product that the UK doesn't buy, or New Zealand doesn't sell, will see those tariffs removed immediately.

For almost every foodstuff that New Zealand does export, tariffs will be lowered gradually over many years. This enables negotiators to declare that they have removed 95% of tariffs, without admitting that the tariffs have only been removed on products unlikely to ever be traded.

For example, in product code 2009 – *Fruit Juices*, there are 102 different types of fruit juices listed at 8-digit tariff code level. The UK has removed its tariffs on all of them except: seven apple juice tariffs and four mixtures of apple and pear juice whose tariffs will only be lowered over 8 years, while tariffs on six types of pear juices and two types of cherry juices will be lowered over 4 years. There are no prizes for guessing which of the 102 types of fruit juices in this product code are New Zealand's largest exports.

Why would we only lower our tariffs of up to 30% + £17/100kg on apple juice over 8 years? Who is this helping? Not UK consumers and not even the UK apple industry. The UK's average imports of apple juice are about 220,000 tonnes in the two tariff groups only being lowered over 8 years. The UK's main apple juice suppliers are Poland, Germany, the Netherlands and Ireland. We appear to be protecting EU suppliers rather than our own farmers.

This is not an isolated case although it is one of the most obvious. The UK has done similar things with other basic foods.

In product code 0709 *Other fresh vegetables* New Zealand's main exports are *Pumpkins, squash and gourds*, and *Courgettes*. The UK imports about 45,000 tonnes of courgettes each year. So, it is hard to understand why we are only lowering our 12% tariffs on courgettes over 4 years, while we are removing tariffs immediately on all of the twenty-three other types of fresh vegetables in this product code. It is just unfortunate that New Zealand doesn't export Asparagus, Aubergines or Globe Artichokes. Did we keep our tariffs on courgettes to protect

our Spanish suppliers, or to annoy New Zealand vegetable growers?

Similarly, tariff code 0703 covers onions, shallots, garlic and leeks, the UK is removing its tariffs on garlic and leeks immediately but only lowering its tariffs on onions and shallots over 8 years. New Zealand is a major exporter of Onions and Shallots exporting on average 200,000 tonnes a year. The UK is a major importer of onions and shallots, importing 360,000 tonnes a year on average. So why aren't we lowering this tariff immediately? Are we keeping tariffs high to protect Spanish polytunnel farmers or Dutch greenhouse operators? Who negotiated this deal, the EU?

New Zealand is one of the world's most efficient dairy producers. It may surprise you to know that the UK is a major dairy product importer, importing on average almost 4 billion US dollars' worth of dairy products each year. UK imports include 100,000 tonnes of *Concentrated milk or cream* (product code 0402) and its largest suppliers were Germany, Ireland, the Netherlands and Belgium. *Concentrated milk or Cream* is also a big New Zealand export, they export just under 2 million tonnes of it each year. But they will have to wait four years for tariffs of up to £1.53 per kilo to be removed completely so that they can compete fairly with EU suppliers.

Likewise, the UK imports about 75,000 tonnes of *Whey* (Product code 0404). The UK imports have been mostly supplied by Denmark and Ireland. But while the EU countries export their whey to the UK tariff free, the UK will only reduce its tariffs on New Zealand whey, of up to £1.39 per kilo, over 4 years. While *Butter and Ghee* (Product Code 0405) tariffs of up to £1.93 per kilo will only be reduced over 6 years and tariff free butter quotas will be increased from only 7,000 tones to 15,000 tonnes in 5 years' time, even though the UK imports on average 81,000 tonnes of butter a year. New Zealand exported on average 470,000 tonnes over the last 5 years, why not let them compete fairly with the Irish and Dutch for UK customers?

While the UK's biggest dairy import is Cheese – we import almost half a million tons of cheese each year – we will only be reducing our very high tariffs of up to £1.85 per kilo on New Zealand cheese over 6 years and increasing our tariff free quotas from 24,000 tonnes to 48,000 tonnes in year *five* of the trade agreement. Who are we protecting by keeping these high tariffs? Dare I suggest EU cheese producers like Ireland, France, Belgium and the Netherlands?

The cost-of-living-crisis is here and now. The time to remove tariffs is here and now – so why are we leaving tariff reductions on the New Zealand foods we buy until the end of the decade – protecting EU farmers from competition at the expense of our own pockets?

Part one: Cost-of-living-crisis? An apocalypse of our own Making? can be found here

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FEATURED IMAGE: *A red Jersey cow stands in New Zealand dairy farm stall eating, photo by Parilov from Adobe Stock.*
