

## Potential post-Brexit tariff costs for EU-UK trade

Briefing note: October 2016

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### Summary

- Our analysis shows that if the UK leaves the EU without a trade deal UK exporters could face the potential impact of £5.2 billion in tariffs on goods being sold to the EU. However, EU exporters will also face £12.9 billion in tariffs on goods coming to the UK.
- Exporters to the UK in 22 of the 27 remaining EU member states face higher tariffs costs when selling their goods than UK exporters face when selling goods to those countries.
- German exporters would have to deal with the impact of £3.4 billion of tariffs on goods they export to the UK. UK exporters in return would face £0.9 billion of tariffs on goods going to Germany.
- French exporters could face £1.4 billion in tariffs on their products compared to UK exporters facing £0.7 billion. A similar pattern exists for all the UK's major EU trading partners.
- The biggest impact will be on exports of goods relating to vehicles, with tariffs in the region of £1.3 billion being applied to UK car-related exports going to the EU. This compares to £3.9 billion for the EU, including £1.8 billion in tariffs being applied to German car-related exports.

This purpose of this analysis is to determine the potential tariff implications for both UK and EU exporters in the event a free trade deal has not been reached by the time the UK exits the European Union.<sup>1</sup>

The study aims to achieve this by providing estimates for the level of tariff costs that could be introduced if trade between the UK and EU was conducted under WTO Most Favoured Nations (MFN) terms, on the assumption the UK leaves the EU customs union and has no new free trade deal. Doing so allows us to examine the importance of continued free trade for both the UK and our EU trading partners and so highlights the relative strengths for and pressures on both sides in upcoming negotiations.

The findings of our analysis highlight the importance of a trade deal for both the UK and for EU countries.

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<sup>1</sup> Some commentators have questioned the extent to which tariffs are felt by exporting companies, suggesting that their impact is in fact on consumers. A response to this point has been added on page 8.

The analysis uses import data from 2015, combined with the EU's MFN tariff schedule, to provide the most up-to-date estimate of tariffs that would be payable on UK-EU trade if our trade continued under the 'WTO-only' option. This study is 'static', i.e. it does not take into account the elasticity of sales in response to tariff-induced price increases. However, using the most recent annual data, it provides an indication of the relative magnitude of tariff costs and hence the pressure to ensure the UK and EU secure a trade deal.

Tariffs are not the only factor that could damage in the absence of a comprehensive trade deal. Regulatory and other non-tariff barriers (NTBs) could increase the cost of trading goods between the EU and UK and make it harder for exporters selling goods in either direction. These NTBs become increasingly significant as tariffs are reduced. However, with the assumption that the EU and UK would both maintain the same initial tariff schedules, and given the UK is currently compliant with all EU regulation, preventing the introduction of tariffs must be the first and potentially most significant step in the process of achieving continued free trade.

As such, realising the potential cost of re-introducing tariffs to trade between the UK and most of Europe is the first step in making the case for a trade deal that will allow both EU and UK citizens to benefit from continued tariff-free trade across the continent.

The change in trading terms (including the potential introduction of tariffs), UK trade policy and the relative values of sterling and the euro will all influence the level of trade. These issues are not covered by our data analysis but are discussed in the note.

### **Estimating the level of tariffs relating to UK-EU trade**

#### *By country*

Though negotiations on the future EU-UK relationship will take place at an EU level, it is vital to remember that 28 different countries (including the UK) will have to approve any new EU-UK trade deal. Further still, the 27 national governments of the EU will be providing direction for the negotiations and each working to strike a deal which will protect the interests of their electorate. The same of course applies to the UK.

As such our analysis draws on national data to show the level of tariffs that could have been applied to EU-UK trade had goods been subject to the EU's current MFN tariff regime.

The analysis is summarised in Table 1. For imports, columns 2 and 5, the country with the higher value (i.e. has a trade surplus) is shaded red. For potential tariff costs, columns 3 and 6, the 'loser' country (i.e. the one whose exporters suffer higher total costs) is shaded red. Exporters to the UK from 22 of the 27 remaining EU member states would face higher tariff costs on their goods than UK exporters would face when selling goods in the other direction.

Those 22 include all of the UK's major trading partners, with Germany facing a potential tariff barrier of around £3.4 billion and France and Ireland seeing a barrier of £1.4 billion and £1.3 billion respectively. This stands in comparison to UK exporters who would see tariffs of £0.9 billion on goods going to Germany, and £0.7 billion and £0.8 billion on exports to France and Ireland, respectively.

This pattern is repeated with all the UK's major EU trading partners. In total the EU faces a potential of having to deal with the cost of £12.9 billion in UK tariffs, an average levy of 5.8%, and UK exporters face EU tariffs of £5.2 billion, an average of 4.5%.<sup>2</sup>

Table 1. Estimate of annual tariffs payable on UK-EU Imports by EU Partner Country (2015, £ million)

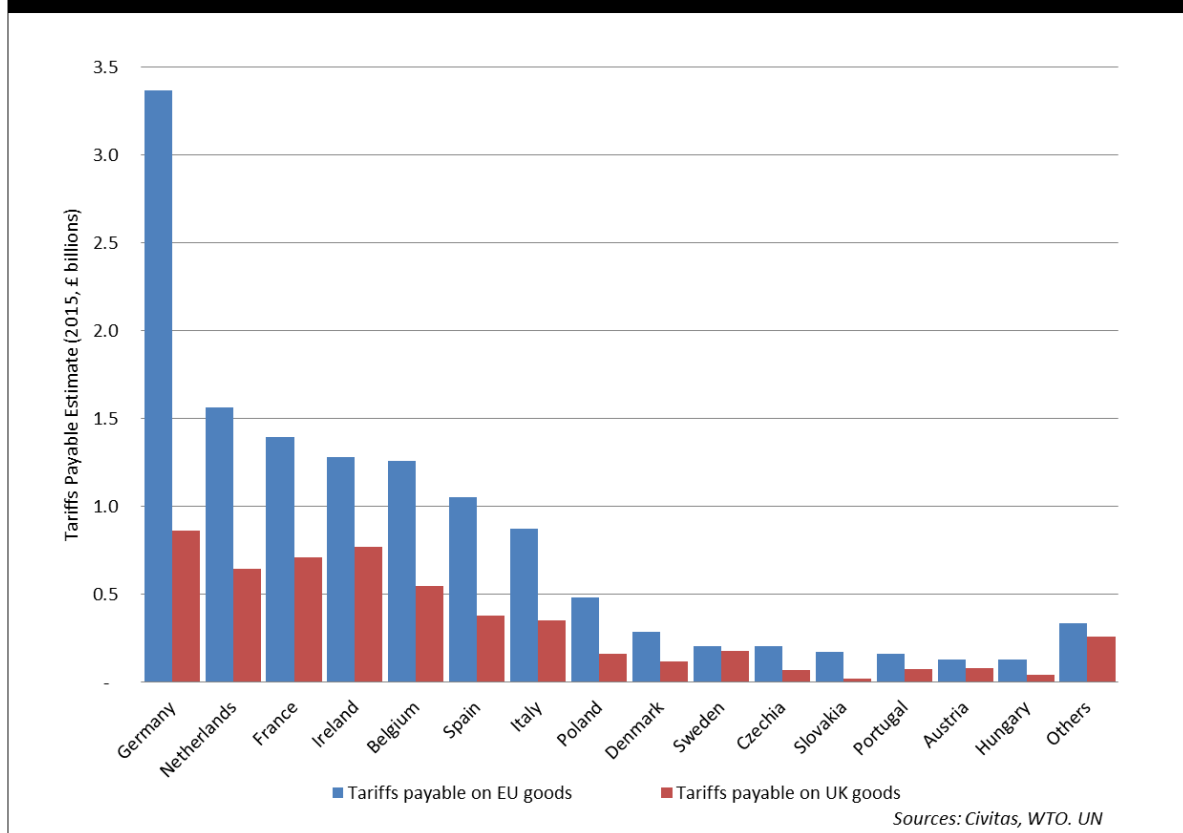
Partner Country	EU Goods			UK Goods		
	UK Imports	Tariffs Payable Estimate	Average Tariff Rate	EU Imports	Tariffs Payable Estimate	Average Tariff Rate
Austria	3,061	125	4.1%	1,701	78	4.6%
Belgium	20,481	1,258	6.1%	12,140	547	4.5%
Bulgaria	365	19	5.3%	327	11	3.5%
Croatia	95	5	4.9%	152	7	4.5%
Cyprus	152	16	10.8%	327	22	6.7%
Czechia	4,833	203	4.2%	1,901	65	3.4%
Denmark	3,435	282	8.2%	2,519	113	4.5%
Estonia	184	3	1.6%	277	12	4.4%
Finland	2,026	44	2.2%	1,094	51	4.6%
France	25,017	1,394	5.6%	14,284	707	4.9%
Germany	61,275	3,366	5.5%	24,048	859	3.6%
Greece	703	65	9.3%	865	46	5.3%
Hungary	2,516	125	5.0%	1,004	38	3.8%
Ireland	12,452	1,279	10.3%	12,342	768	6.2%
Italy	16,190	870	5.4%	7,554	347	4.6%
Latvia	483	8	1.6%	151	5	3.4%
Lithuania	769	40	5.2%	520	18	3.4%
Luxembourg	485	13	2.7%	202	9	4.4%
Malta	181	6	3.1%	284	15	5.2%
Netherlands	30,801	1,561	5.1%	15,041	644	4.3%
Poland	8,084	483	6.0%	3,305	158	4.8%
Portugal	2,345	158	6.7%	1,366	71	5.2%
Romania	1,545	99	6.4%	1,086	48	4.4%
Slovakia	2,012	171	8.5%	744	18	2.4%
Slovenia	325	14	4.2%	290	13	4.7%
Spain	13,930	1,049	7.5%	9,125	376	4.1%
Sweden	6,807	204	3.0%	4,563	173	3.8%
<b>EU Total</b>	<b>220,551</b>	<b>12,861</b>	<b>5.8%</b>	<b>117,210</b>	<b>5,220</b>	<b>4.5%</b>

<sup>2</sup> Comtrade Data: UK Imports ('Goods', 'Annual', 'HS12', '2015', 'United Kingdom', 'All', 'Imports', 'AG6 - All 6-digit HS2012 commodities') and EU Imports ('Goods', 'Annual', 'HS12', '2015', 'All', 'United Kingdom', 'Imports', 'AG6 - All 6-digit HS2012 commodities'): <http://comtrade.un.org/data/>; EU MFN AVE Tariffs for 2015: ITC MACMap AVE Tariffs (World Tariff Profile Method): <http://www.macmap.org/QuickSearch/FindTariff/FindTariff.aspx>; Comtrade GBP/USD 2015 Imports Exchange Rate: 1.528854 <http://comtrade.un.org/db/mr/daExpNoteDetail.aspx?r=826&y=2015>.

This is a reflection of the current balance of trade between the EU and the UK. As a net importer of EU goods the UK government would potentially collect over twice as much in tariffs on EU goods than would be levied on UK goods going to the EU.

Of course, a high-level aggregate approach of this nature obscures the direct impact on the ground. It is unlikely to provide much comfort to a British exporter facing higher costs to learn that overall the UK is a net 'winner' or to be told that his overseas competitors are left in an even worse position. However, the £12.9 billion in additional revenues would provide the UK government with significantly more funds than our EU counterparts to invest in boosting the UK economy, or to implement on 'mitigation' measures to counteract the impact (within the bounds of WTO rules).

Chart 1: Estimate of annual tariffs payable on UK and EU goods by EU Partner Country



That said, these tariffs would be a cost that would be damaging to both UK and EU exporters and should put pressure on both sides in the negotiations to achieve a deal that is in the interest of their own economies.

The value of tariffs payable on EU and UK goods is estimated by applying the average tariff for each 6-digit HS (Harmonized System) code to the value of goods traded between the UK and each of its partner EU countries.<sup>3</sup> The tariff (or customs duty) paid on goods imported to

<sup>3</sup> The HS Code is from the World Customs Organisation harmonized system for the classification of goods: [http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs\\_nomenclature\\_2012/hs\\_nomenclature\\_table\\_2012.aspx](http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs_nomenclature_2012/hs_nomenclature_table_2012.aspx); the value of goods by partner country and HS code is taken from the UN Comtrade database: <http://comtrade.un.org/data/>

the EU is calculated by applying the tariff to the value of the good imported.<sup>4</sup> Chart 1 breaks down the potential tariff burden for exporters in the EU countries exporting to the UK (in blue) and compares it to the tariff burden facing UK businesses exporting to each EU trading partner (in red).<sup>5</sup>

### *By industry*

Country-by-country estimates and EU-UK comparisons provide a broad comparison that makes it clear there will be an economic impact for all current EU members if a trade deal that allows continued tariff-free trade is not agreed.

A closer look at the difference across different industries allows us to see more clearly the

EU Exporters of		Tariff Estimate	UK Exporters of		Tariff Estimate
1.	Vehicles (including parts and accessories)	£3,896m	1.	Vehicles (including parts and accessories)	£1,348m
2.	Meat	£1023m	2.	Meat	£378m
3.	Dairy produce	£956m	3.	Dairy produce	£331m
4.	Preparations of meat and fish	£563m	4.	Plastics and plastic products	£286m
5.	Plastics and plastic products	£498m	5.	Nuclear reactors, boilers and mechanical appliances	£210m
6.	Electrical machinery and equipment (including parts)	£477m	6.	Mineral Fuels, oils and other products their distillation	£167m
7.	Preparations of vegetables and other parts of plants	£372m	7.	Preparations of meat and fish	£154m
8.	Nuclear reactors, boilers and mechanical appliances	£366m	8.	Electrical machinery and equipment (including parts)	£144m
9.	Vegetables	£326m	9.	Organic chemicals	£134m
10.	Preparations of cereals	£303m	10.	Waste from food industries and animal fodder	£123m

<sup>4</sup> The value of the good is calculated as the value payable to the seller, so includes the cost of transport and packaging. The tariff for goods is applied using tariff codes based on the Harmonized System code which is an international system which identifies products by a code. Most tariffs are calculated as a percentage of the value of the good (ad valorem tariffs). However, a number of goods are calculated depending on the weight. Our estimate uses average tariffs calculated at the 6-digit HS code level. The tariffs are calculated as simple means at a 6-digit level. For the non-AV tariffs an AV equivalent (AVE) figure is used in calculating the 6-digit average. The AVE figures are from the ITC MACMap using the World Tariff Profile methodology ([http://www.macmap.org/SupportMaterials/Methodology.aspx#method\\_B11](http://www.macmap.org/SupportMaterials/Methodology.aspx#method_B11)). These AVE estimates are provided at a national code level and are then included in the 6-digit HS code average, these 6-digit averages are multiplied by the value of goods imported (from each EU country to the UK and from the UK to each EU country) which fall into that 6-digit category. These are the figures that are then used in the report and which are used to provide the weighted averages for the 2-digit HS chapters.

For comparison, the same research was done using export figures and, though subtle differences between the data exist, the findings remain broadly unchanged with EU goods imported to the UK seeing an estimated £12.9 billion in tariff and UK goods imported to EU countries seeing a total of £5.6 billion in tariffs.

<sup>5</sup> The 15 EU members that can be expected to suffer the greatest tariff impacts are included separately with the remaining 12 combined in the 'Other' columns.

pressure points for upcoming negotiations. Tables 2 and 3 highlight the biggest losers in both the UK and EU, by value and by percentage, in the event tariffs are introduced.

Table 2 shows that manufacturers of vehicles and parts would be set to incur the most costs in absolute terms. Applying tariffs to the trade values in 2015 would see UK vehicle (including parts) manufacturers dealing with the cost of £1.3bn in tariffs on EU bound goods. This compares with exporters in the remaining EU countries having to deal with the consequence of £3.9bn in tariffs on UK bound goods. Germany alone would see vehicle goods facing £1.8bn in UK tariffs.

**Table 3: 10 Biggest Losers by Percentage: UK and EU industries facing the highest tariffs (weighted %)**

EU Exporters of		Average Tariff	UK Exporters of		Average Tariff
1.	Dairy produce	39.9%	1.	Tobacco and manufactured tobacco substitutes	43.7%
2.	Tobacco and manufactured tobacco substitutes	39.5%	2.	Preparations of meat or fish	39.9%
3.	Meat	32.3%	3.	Dairy produce	39.4%
4.	Preparations of meat or fish	31.8%	4.	Meat	37.8%
5.	Sugars and sugar confectionery	30.2%	5.	Sugars and sugar confectionery	31.6%
6.	Products of milling (e.g Flour)	25.2%	6.	Products of milling (e.g Flour)	25.5%
7.	Preparations of vegetables and other parts of plants	19.7%	7.	Cereals	23.9%
8.	Waste from food industries and animal fodder	18.4%	8.	Residues and waste from the food industries	22.8%
9.	Vegetables	15.1%	9.	Preparations of vegetables and other parts of plants	17.7%
10.	Animal or vegetable fats and oils	14.8%	10.	Preparations of cereals	12.7%

Beyond vehicles, it is the food and agricultural industries whose exports would suffer the most from the introduction of tariffs, with meat, dairy and other agricultural products featuring

heavily in the top ten biggest losers. This is more evident when you look at the industries that will face the highest tariffs in percentage terms. This is important, as a high absolute amount of tariff costs might simply be a reflection of higher sales volumes.

Table 3 shows the weighted average tariff rates by product type, to indicate the significance of tariffs for each exporting sector. The biggest losers for both the EU and UK are all agricultural and food products. Tariffs of around 40 per cent could have a significant effect on agricultural exports and in the event they were introduced, there would likely be a significant drop in trade between the EU and UK. The introduction of tariffs on any goods traded between the UK and the rest of the EU could significantly damage the business of exporters.

A more detailed breakdown of the aggregate UK and EU figures into the different types of products, according to the World Customs Organisations Harmonised System 2-digit codes, is included in the Appendix along with tables showing the top ten biggest losers by value for each EU country. This analysis allows us to see that for only 14 of the WTO 97 product groups listed in Table 4 (in the Appendix) will the UK government receive less in tariff revenues than all governments in the EU combined. This again highlights the fact that the remaining EU 27, not just the UK, has a great deal to lose if a deal is not struck to continue free trade across the continent.

#### *Looking further*

The static nature of this study means that we have not adjusted for the change in demand should tariffs be introduced. Normally increases in prices would see demand for products fall. A fall in sales would likely lead to lower tariff income.

The UK will have the chance to adjust for these changes. It has the opportunity on leaving the EU to alter its tariff schedule in a manner that is more favourable to UK businesses, reducing tariffs on input products for UK manufacturers and other products that are not manufactured in the UK, while keeping tariffs on goods that can be manufactured in the UK that are perhaps not yet competitively produced. Further still, the depreciation of sterling, although it will lead to increases in import prices, will reduce the cost of buying goods from the UK. Both these factors will allow the UK economy to adjust for the introduction of tariffs if there is no trade agreement.

The EU does not have the opportunity to easily change its tariff schedule and has seen the euro rise against sterling. This will put pressure on EU manufacturers who export to the UK. The introduction of tariffs therefore will be harmful to both the remaining EU countries and the UK, but as an independent country the UK at least will have the ability to adjust.

#### *Beyond the European Union*

As it seems to be the case that the government is planning to leave the single market and customs union our trading relationship with third countries will be dependent on the success of UK diplomacy rather than our future relationship with the EU. It therefore makes sense to focus initially on the potential tariff impacts for the UK and EU countries only.

There is a case for looking at tariffs impacts for third countries with which we have an EU trade agreement currently, but estimates will be highly speculative.

## Appendix

Table 4 breaks down the import figures and potential tariff costs into aggregates by WTO HS chapter. In the import columns, if imports by the UK of EU goods are greater than the corresponding imports by the EU of UK goods then the value is shaded red, and similarly if imports by the EU of UK goods are greater than imports by the UK of EU goods. This represents a trade surplus for EU or UK goods respectively. For the tariff cost columns, the value of tariffs which is higher by product group (either for EU or UK goods) is shaded red, representing a higher tariff burden in absolute monetary terms.

Tables 5 and 6 show the top ten product groups exposed to tariffs in absolute monetary terms for each EU country, including the UK. Table 5 shows, for each country, the HS chapter (product group) and the tariff cost estimate in millions of pounds. Table 6 lists the full description for each HS chapter number.

For example, Table 5 shows us the top two product groups exposed to UK tariffs for Irish exporters are HS chapters 2 and 4 with estimates of £463 million and £265 million in tariff costs respectively. Table 6 shows us that these product groups are 'Meat and edible meat offal' and 'Dairy produce; birds' eggs; natural honey; edible products of animal origin not elsewhere specified or included'.

### Response to critics (added November 1, 2016)

Some commentators on the first edition of this paper noted that we had not explicitly stated that consumers ultimately pay import duties.

The purpose of the analysis, as stated in the opening paragraph, was to determine the potential tariff implications for both UK and EU exporters in the event a free trade deal had not been reached by the time the UK exits the European Union.

Despite suggestions otherwise, the report does not make an assumption tariffs are paid by exporters. The failure to explicitly state the fact that tariffs (or customs duties) are paid by the importer is only a result of a failure to realise it needed stating. The fact that tariffs are paid by the importer and, as stated, the value of the tariff is calculated based on the import value (the value the buyer has paid for the good) is not forgotten, and it is the reason the data published was based on import values (See footnote 3).

However, the impact of tariffs will be shared by both; the consumer, who will either cover the tariff cost by purchasing the good at a higher price or choose not purchase the product (potentially buying an alternative); and the exporters, who may find that the tariff leads to a fall in demand or who may have to adjust their business model in a way that absorbs the cost and allows them to sell the product at a competitive price despite the tariffs.

The simplest method of looking at the relative impact for exporters for tariffs is to see what tariffs will have to be paid on their goods. The exact impact of the tariffs for exporters will vary by product due to varying levels of demand and the availability of substitute products. These variations, among others, mean it would likely be an impossible task to accurately model such an impact at an aggregate level, nationally or by product type.



The analysis was written on the assumption that exporters, being made aware of the potential tariffs that would be applied to their goods, could then determine the likely impact of these tariffs for their own businesses.

The reason for publishing the analysis was to highlight that there will be a cost to both EU and UK exporters if tariffs are introduced. It is also true that there will be a cost to consumers, and one could equally write a piece setting out the potential cost to UK consumers and importers.

One could also use the data to try and determine the potential impact on domestic UK businesses who may benefit from the protection or may benefit from the removal of tariffs to the reduce costs of importing goods in the UK.

By publishing the analysis, I hoped to encourage a debate on the potential negative impact on tariffs for businesses across the UK and EU, in the build up to the EU-UK negotiations. Indeed, I argue that 'these tariffs would be a cost to both UK and EU exporters and should put pressure on both sides in the negotiations to achieve a deal that is in the interest of their own economies.

I did comment that the fall in sterling and the opportunity to reduce the UK tariff schedule puts the UK in a position that could help it adjust to the impact of tariffs should they be applied by the EU to UK goods.

Following on from this, as part of a wider effort to determine how the UK government can support UK business post Brexit, we are now looking at how specific UK businesses, and consumers, may benefit from a new UK specific tariff schedule, one in which the UK would likely see a reductions in tariffs levied on imports, as the current schedule is designed to offer protection to 28 economies rather than designed in the interests of the UK economy.

Table 4. Estimate of annual tariffs payable on UK-EU exports by EU Partner Country (2015, £ millions)

Product Description (Full description in Table 6)	EU Goods			UK Goods		
	UK Imports	Tariffs Payable Estimate	Average Tariff Rate	EU Imports	Tariffs Payable Estimate	Average Tariff Rate
Live animals	427	23	5.5%	286	6	2.2%
Meat	3,163	1,023	32.3%	999	378	37.8%
Fish and crustaceans	514	45	8.8%	924	87	9.4%
Dairy produce (including Eggs)	2,394	956	39.9%	840	331	39.4%
Products of animal origin	68	0	0.4%	82	0	0.2%
Live trees and other plants	932	70	7.5%	46	3	6.9%
Edible vegetables	2,154	326	15.1%	204	24	11.8%
Edible fruit and nuts	1,660	168	10.1%	200	15	7.5%
Coffee, tea, maté and spices	396	22	5.6%	191	9	4.7%
Cereals	599	79	13.1%	322	77	23.9%
Products of milling (e.g Flour)	253	64	25.2%	124	32	25.5%
Oil seeds, straw and fodder	318	10	3.3%	217	2	1.1%
Vegetable saps and extracts	68	3	4.6%	32	0	1.4%
Other vegetable products	4	-	0.0%	3	-	0.0%
Animal or vegetable fats and oils	820	122	14.8%	316	28	8.8%
Preparations of meat or fish	1,771	563	31.8%	386	154	39.9%
Sugars and sugar confectionery	719	217	30.2%	310	98	31.6%
Cocoa and cocoa preparations	1,440	16	1.1%	468	6	1.3%
Preparations of cereals, flour, starch or milk; pastrycooks' products	2,554	303	11.9%	953	121	12.7%
Preparations of vegetables, fruit, nuts or other parts of plants	1,893	372	19.7%	352	62	17.7%
Miscellaneous edible preparations	2,140	192	9.0%	889	79	8.9%
Beverages, spirits and vinegar	4,159	240	5.8%	2,148	60	2.8%
Residues and waste from the food industries	1,160	214	18.4%	539	123	22.8%
Tobacco and manufactured tobacco substitutes	333	132	39.5%	208	91	43.7%
Salt; sulphur; earths and stone; plastering materials, lime and cement	265	1	0.5%	264	1	0.3%
Ores, slag and ash	397	-	0.0%	62	-	0.0%
Mineral fuels, oils and products; bituminous substances; mineral waxes	7,684	127	1.7%	15,659	167	1.1%
Inorganic chemicals	1,186	37	3.1%	928	24	2.6%
Organic chemicals	4,010	209	5.2%	3,516	134	3.8%
Pharmaceutical products	16,773	-	0.0%	7,168	-	0.0%
Fertilisers	511	29	5.6%	228	9	3.7%
Dyeing extracts and colouring matter; paints and varnishes; putty and other mastics; inks	1,309	79	6.0%	1,200	72	6.0%
Essential oils and resinoids; perfumery, cosmetic or toilet preparations	2,964	58	1.9%	2,061	37	1.8%
Soap, organic surface-active agents, prepared waxes, candles, modelling pastes and dental preparations	1,357	45	3.3%	920	28	3.1%
Albuminoidal substances; modified starches; glues; enzymes	451	35	7.8%	221	16	7.2%
Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations	10	1	6.3%	25	2	6.3%
Photographic or cinematographic goods	211	13	6.2%	268	16	6.1%
Miscellaneous chemical products	2,483	118	4.7%	2,625	113	4.3%
Plastics and articles thereof	8,125	498	6.1%	4,656	286	6.1%
Rubber and articles thereof	1,967	62	3.2%	1,724	54	3.1%
Raw hides and skins (other than furskins) and leather	156	7	4.7%	160	4	2.4%
Articles of leather and articles of animal gut (other than silkworm gut)	993	41	4.1%	296	13	4.2%
Furskins and artificial fur; manufactures thereof	37	1	3.0%	18	0	2.0%
Wood and articles of wood; wood charcoal	2,551	49	1.9%	271	8	3.1%
Cork and articles of cork	23	1	4.2%	1	0	3.9%
Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	6	0	3.3%	2	0	3.8%

Product Description (Full description in Table 6)	EU Goods			UK Goods		
	UK Imports	Tariffs Payable Estimate	Average Tariff Rate	EU Imports	Tariffs Payable Estimate	Average Tariff Rate
Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard	347	-	0.0%	137	-	0.0%
Paper and paperboard; articles of paper pulp, of paper or of paperboard	3,997	-	0.0%	1,317	-	0.0%
Printed books, newspapers, pictures and other products of the printing industry	566	-	0.0%	932	-	0.0%
Silk	19	1	5.7%	7	0	6.6%
Wool, fine or coarse animal hair; horsehair yarn and woven fabric	156	6	4.1%	143	6	4.5%
Cotton	105	7	6.7%	65	5	7.5%
Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	26	2	6.2%	8	1	6.5%
Man-made filaments; strip and the like of man-made textile materials	273	15	5.4%	396	22	5.5%
Man-made staple fibres	204	11	5.3%	144	9	6.3%
Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof	328	16	4.8%	157	7	4.7%
Carpets and other textile floor coverings	595	47	7.9%	72	6	7.7%
Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	143	11	7.7%	64	5	7.4%
Impregnated, coated, covered or laminated textile fabrics; textile articles suitable for industrial use	183	12	6.8%	238	17	7.1%
Knitted or crocheted fabrics	60	5	8.0%	65	5	8.0%
Articles of apparel and clothing accessories, knitted or crocheted	1,940	230	11.9%	859	102	11.8%
Articles of apparel and clothing accessories, not knitted or crocheted	2,428	283	11.7%	979	113	11.5%
Other made-up textile articles; sets; worn clothing and worn textile articles; rags	271	28	10.2%	243	21	8.5%
Footwear, gaiters and the like; parts of such articles	1,896	209	11.0%	723	83	11.4%
Headgear and parts thereof	85	3	3.1%	47	1	3.0%
Umbrellas, sun umbrellas, walking sticks, seat-sticks, whips, riding-crops and parts	9	0	4.4%	5	0	4.3%
Prepared feathers and down; artificial flowers; articles of human hair	11	0	2.7%	6	0	2.8%
Articles of stone, plaster, cement, asbestos, mica or similar materials	693	7	1.0%	349	2	0.6%
Ceramic products	748	38	5.1%	141	10	6.8%
Glass and glassware	1,007	49	4.9%	470	23	5.0%
Pearls, precious or semi-precious stones and metals	3,457	33	0.9%	2,085	9	0.4%
Iron and steel	2,714	3	0.1%	2,437	3	0.1%
Articles of iron or steel	3,272	55	1.7%	1,493	32	2.1%
Copper and articles thereof	984	40	4.1%	582	9	1.6%
Nickel and articles thereof	231	3	1.3%	375	2	0.6%
Aluminium and articles thereof	2,186	149	6.8%	1,174	66	5.7%
Lead and articles thereof	31	1	2.7%	155	3	1.9%
Zinc and articles thereof	61	2	3.5%	77	2	2.8%
Tin and articles thereof	28	-	0.0%	41	-	0.0%
Other base metals and cermet	210	9	4.3%	238	11	4.8%
Tools implements of base metal	628	18	2.9%	306	9	3.0%
Miscellaneous articles of base metal	858	21	2.4%	366	9	2.5%
Nuclear reactors, boilers, and mechanical appliances	25,915	366	1.4%	12,739	210	1.7%
Electrical machinery	19,749	477	2.4%	8,385	144	1.7%
Railway or tramway locomotives rolling stock	313	6	2.0%	83	1	1.7%
Vehicles other than railway or tramway rolling stock	43,111	3,896	9.0%	15,439	1,348	8.7%
Aircraft, spacecraft, and parts thereof	3,391	49	1.4%	3,852	63	1.6%
Ships, boats and floating structures	187	2	1.0%	398	4	1.1%
Optical, photographic, cinematographic, measuring, medical instruments and apparatus	6,627	74	1.1%	4,123	52	1.3%
Clocks and watches	504	8	1.5%	102	2	1.5%
Musical instruments	99	3	3.2%	27	1	3.1%
Arms and ammunition	88	2	2.9%	56	1	2.1%
Furniture	3,257	58	1.8%	744	13	1.7%
Toys, games and sports requisites	827	13	1.6%	657	10	1.5%
Miscellaneous manufactured articles	896	25	2.8%	259	8	3.0%
Works of art, collectors' pieces and antiques	1,432	-	0.0%	138	-	0.0%
<b>TOTAL</b>	<b>220,551</b>	<b>12,861</b>	<b>5.8%</b>	<b>117,210</b>	<b>5,220</b>	<b>4.5%</b>

Table 5: Industries most exposed to the introduction of EU-UK tariffs by EU trading partner, ranked by estimated tariff payable (2015, £

Rank	Austria		Belgium		Bulgaria		Croatia		Cyprus	
	HS Chapter	Estimate (£ millions)	HS Chapter	Estimate (£ millions)	HS Chapter	Estimate (£ millions)	HS Chapter	Estimate (£ millions)	HS Chapter	Estimate (£ millions)
1	87	37.5	87	515.3	62	4.8	16	2.5	4	10.5
2	84	14.3	39	81.4	69	1.2	84	1.0	87	2.9
3	22	10.0	20	70.8	10	1.2	85	0.3	7	1.3
4	39	6.9	4	58.3	61	1.2	87	0.3	62	0.6
5	85	6.0	64	45.7	94	1.1	21	0.1	8	0.1
6	4	4.4	17	43.6	2	1.1	20	0.0	21	0.1
7	20	4.2	19	37.6	39	1.0	25	0.0	85	0.1
8	23	3.8	61	27.2	4	0.9	70	0.0	71	0.1
9	76	3.7	2	26.3	76	0.8	94	0.0	39	0.1
10	19	3.1	29	24.4	16	0.8	19	0.0	19	0.1

Rank	Czech Rep.		Denmark		Estonia		Finland		France	
	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff
1	87	92.6	4	65.3	94	1.0	27	12.2	87	325.0
2	85	29.1	2	65.2	10	0.5	39	5.0	4	196.0
3	24	15.1	16	38.8	85	0.3	29	3.9	17	67.6
4	84	7.9	21	20.7	44	0.2	44	3.9	22	66.0
5	64	7.6	3	7.4	27	0.2	17	2.6	39	58.5
6	17	6.3	62	7.2	62	0.1	87	2.3	19	55.9
7	39	5.3	10	6.6	87	0.1	85	2.0	23	48.5
8	40	3.6	85	6.4	84	0.1	10	1.9	84	45.1
9	95	3.3	39	6.3	73	0.1	31	1.3	16	37.7
10	62	3.2	22	6.0	21	0.1	84	1.2	62	34.6

Rank	Germany		Greece		Hungary		Ireland		Italy	
	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff
1	87	1825.3	4	26.2	85	34.3	2	463.9	87	165.2
2	39	144.3	20	8.5	87	32.0	4	265.4	19	60.0
3	4	143.2	8	4.1	23	8.8	16	156.3	4	53.9
4	84	132.7	61	3.0	84	6.5	23	40.4	20	53.9
5	2	96.4	76	2.9	90	4.1	29	36.6	62	50.8
6	16	89.3	3	2.5	21	3.9	19	33.7	61	45.7
7	85	81.2	19	2.1	40	3.5	21	26.9	84	42.2
8	76	68.7	15	2.1	39	3.4	33	26.5	64	39.3
9	19	61.5	85	2.0	16	3.3	1	22.0	39	36.0
10	29	46.9	74	1.8	69	2.9	39	20.5	22	27.8

Rank	Latvia		Lithuania		Luxembourg		Malta		Netherlands	
	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff
1	44	3.1	23	5.2	39	3.5	87	3.6	2	208.8
2	27	1.1	31	5.1	84	1.9	85	0.7	87	162.7
3	23	0.6	4	4.4	62	0.9	62	0.5	7	99.3
4	16	0.5	62	4.1	20	0.8	19	0.1	20	91.8
5	70	0.4	27	3.7	32	0.8	73	0.1	16	82.7
6	85	0.3	16	2.7	87	0.8	84	0.1	4	81.7
7	4	0.3	24	2.2	76	0.4	39	0.1	39	75.4
8	10	0.2	39	2.1	44	0.4	10	0.1	6	61.5
9	87	0.2	3	1.2	64	0.3	3	0.1	85	60.9
10	19	0.2	2	1.0	40	0.3	90	0.0	22	54.9

Rank	Poland		Portugal		Romania		Slovakia		Slovenia	
	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff
1	87	85.5	62	35.2	85	35.1	87	76.5	87	3.6
2	24	66.5	87	25.2	87	15.6	16	71.9	7	2.2
3	61	63.8	85	12.8	4	8.1	39	3.9	8	1.5
4	62	59.7	61	9.1	84	6.5	21	2.5	15	1.2
5	64	21.9	2	7.6	39	6.0	85	1.8	20	1.1
6	85	19.1	16	7.3	70	5.6	94	1.8	62	0.6
7	20	18.7	10	6.6	17	2.8	76	1.5	2	0.5
8	16	13.1	4	5.8	91	2.4	70	1.5	84	0.5
9	63	12.2	24	5.5	16	2.4	84	1.3	16	0.5
10	39	12.1	40	4.4	94	2.2	40	1.0	39	0.3

Rank	Spain		Sweden		EU Total		United Kingdom	
	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff	HS Chapter	Tariff
1	87	435.2	87	71.4	87	3896.2	87	1348.0
2	7	119.9	27	35.3	2	1022.7	2	377.9
3	8	80.1	62	10.7	4	955.5	4	331.0
4	15	41.9	84	9.0	16	562.9	39	285.9
5	20	40.5	61	7.7	39	497.8	84	210.4
6	62	32.5	39	6.3	85	477.4	27	166.9
7	2	28.9	22	6.0	20	372.2	16	153.9
8	84	26.3	16	5.5	84	366.3	85	143.5
9	16	22.2	10	4.9	7	326.0	29	134.4
10	39	18.4	29	4.6	19	303.2	23	123.2

Table 6: 2-digit HS Chapter Product Description

01	Live animals
02	Meat and edible meat offal
03	Fish and crustaceans, molluscs and other aquatic invertebrates
04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included
05	Products of animal origin, not elsewhere specified or included
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
07	Edible vegetables and certain roots and tubers
08	Edible fruit and nuts; peel of citrus fruit or melons
09	Coffee, tea, maté and spices
10	Cereals
11	Products of the milling industry; malt; starches; inulin; wheat gluten
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder
13	Lac; gums, resins and other vegetable saps and extracts
14	Vegetable plaiting materials; vegetable products not elsewhere specified or included
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes
16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates
17	Sugars and sugar confectionery
18	Cocoa and cocoa preparations
19	Preparations of cereals, flour, starch or milk; pastrycooks' products
20	Preparations of vegetables, fruit, nuts or other parts of plants
21	Miscellaneous edible preparations
22	Beverages, spirits and vinegar
23	Residues and waste from the food industries; prepared animal fodder
24	Tobacco and manufactured tobacco substitutes
25	Salt; sulphur; earths and stone; plastering materials, lime and cement
26	Ores, slag and ash
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes
29	Organic chemicals
30	Pharmaceutical products
31	Fertilisers
32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations
34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, 'dental waxes' and dental preparations with a basis of plaster
35	Albuminoidal substances; modified starches; glues; enzymes
36	Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations
37	Photographic or cinematographic goods
38	Miscellaneous chemical products
39	Plastics and articles thereof
40	Rubber and articles thereof
41	Raw hides and skins (other than furskins) and leather
42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silkworm gut)
43	Furskins and artificial fur; manufactures thereof
44	Wood and articles of wood; wood charcoal
45	Cork and articles of cork
46	Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork
47	Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard
48	Paper and paperboard; articles of paper pulp, of paper or of paperboard
49	Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans

Table 6: 2-digit HS Chapter Product Description

50	Silk
51	Wool, fine or coarse animal hair; horsehair yarn and woven fabric
52	Cotton
53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn
54	Man-made filaments; strip and the like of man-made textile materials
55	Man-made staple fibres
56	Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof
57	Carpets and other textile floor coverings
58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery
59	Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use
60	Knitted or crocheted fabrics
61	Articles of apparel and clothing accessories, knitted or crocheted
62	Articles of apparel and clothing accessories, not knitted or crocheted
63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags
64	Footwear, gaiters and the like; parts of such articles
65	Headgear and parts thereof
66	Umbrellas, sun umbrellas, walking sticks, seat-sticks, whips, riding-crops and parts thereof
67	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair
68	Articles of stone, plaster, cement, asbestos, mica or similar materials
69	Ceramic products
70	Glass and glassware
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin
72	Iron and steel
73	Articles of iron or steel
74	Copper and articles thereof
75	Nickel and articles thereof
76	Aluminium and articles thereof
78	Lead and articles thereof
79	Zinc and articles thereof
80	Tin and articles thereof
81	Other base metals; cermets; articles thereof
82	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal
83	Miscellaneous articles of base metal
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles
86	Railway or tramway locomotives, rolling stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electromechanical) traffic signalling equipment of all kinds
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
88	Aircraft, spacecraft, and parts thereof
89	Ships, boats and floating structures
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof
91	Clocks and watches and parts thereof
92	Musical instruments; parts and accessories of such articles
93	Arms and ammunition; parts and accessories thereof
94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings
95	Toys, games and sports requisites; parts and accessories thereof
96	Miscellaneous manufactured articles
97	Works of art, collectors' pieces and antiques

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