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UK-EU trade deal designed to ease Brexit-driven border frictions



A third of all UK-EU trade volume passes through the Port of Dover on England's southeast coast.

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Greg Knowler, Senior Editor Europe | May 20, 2025, 9:57 AM EDT

The trade deal hammered out between the UK and the European Union is being hailed by business groups and the logistics industry as a positive step toward reducing border frictions that have been in place since Britain formally left the EU in 2020.

But even as the ink dries on the EU-UK Trade and Cooperation Agreement signed Monday, business leaders are urging both sides to ensure the streamlined cross-border measures agreed to are implemented in full.

"It is now down to government to work out the most practical solutions," Steve Parker, director-general of the British International Freight Association (BIFA), said in a statement.

"We hope that the announcement will significantly simplify border processes and consequently contribute to increased volumes of goods traded between the UK and the EU," he added.

A statement from the UK's Port of Dover, which handles one-third of all UK-EU trade volume, said it will be working with the governments of the UK, France and the European Commission "to implement this deal effectively and maximize shared prosperity [on] either side of the English Channel."

"An improvement in border processes will not only restore confidence for businesses and investors but also drive economic growth and supply chain resilience, and we are pleased to see these objectives recognized in [the] agreement," the port noted.

Removing trade barriers

Strained relationships between London and Brussels have plagued trade negotiations over the past five years around complex issues including tariffs, regulations, fishing rights and the movement of people. But the agreement has left the industry optimistic that barriers to trade have been removed.

Helen Dickinson, CEO of the British Retail Consortium, said the deal would benefit retail businesses and consumers in both the UK and continental Europe.

"As well as supporting growth for exporters to the UK's biggest export market, retailers operating in the EU will also see a huge reduction in the unnecessary processes, paperwork and administrative burden when exporting goods, supporting our competitiveness abroad," Dickinson said in a statement Tuesday.

Eliminating food inspections

A key part of the UK-EU agreement is a plan to establish a UK-EU Sanitary and Phytosanitary Zone that will remove routine border checks on agri-food products. British goods such as dairy, fish, eggs and red meat currently require checks of all paperwork and up to 30% physical checks.

The Sanitary and Phytosanitary deal will remove these checks entirely, which Parker said will cut costs, complexities and delays that are disrupting trade flows between the two trading bodies.

"BIFA members, and the importers and exporters they serve, will be breathing a sigh of relief following practical commitments to improve regulatory cooperation," Parker said.

Dickinson agreed, noting that the removal of border checks for agri-food will be good news for retailers and consumers on both sides of the channel, streamlining border processes, lowering costs and improving the speed and reliability of food imports.

Data from consultancy MDS Intermodal shows that UK imports of fresh produce in metric tons, particularly fruit and vegetables, have fallen 17% since 2017, with a switch away from the EU as a source of fresh produce to non-EU and Mediterranean sources.

Also agreed to Monday was the linking of the UK and EU emissions trading schemes. Following Brexit, the UK could no longer participate in the <u>EU Emissions Trading</u>
<u>System</u> (ETS) and had to establish its own smaller and more volatile trading scheme.

A UK government statement said linking the two measures would create a more stable market and allow the UK to avoid being charged under the EU Carbon Border Adjustment Mechanism (CBAM), a policy aimed at ensuring imported carbon-intensive goods face similar carbon costs as those produced within the EU. CBAM is in a transitional phase and will be implemented next year.

The deal with the EU is the third major trade agreement reached by the UK in the past month following deals with India and the US.

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