

Trade Policy Unit

Daily news and updates

(1) UK fruit exports to EU have dropped by more than half since Brexit (Guardian)

- Exports of fruit from the UK to the EU, including traditional English apples and pears, have more than halved since Brexit, according to data released by HMRC.
- The decline has been put down to the introduction of trade barriers caused by the UK's departure from the EU, including mandatory health certificates on fresh and chilled food and customs paperwork.
- Similar barriers have yet to be introduced on imports to the UK, causing recent concern about the threat to future imports of some of British diners' favourites, including fresh cheese, olive oil and dried meats from Spain and Italy.
- HMRC data shows that the barriers, in place since 2021, are already biting on the UK-to-EU side of the Brexit ledger.
- In the year to 31 March 2021, the UK sold £248.5m worth of fruit to the EU. But sales figures dropped to £119m the next year, and have remained at that level since, with latest tax data showing sales for the year to March 2023 of £113.8m.
- It is to be underlined that the different approach taken by the EU and the UK to checks has been the source of tension between the government and the British horticulture sector, with farming bosses accusing the government of giving European suppliers an unfair advantage over domestic producers.
- Brexit checks on food and animal products including unpasteurised cheese from the EU have been delayed four times by the British government and are due to start being phased in at the end of October.

(2) US economy on the brink as time runs low to avert debt default (CNN Politics)

- America is heading close to the brink of a self-imposed economic disaster with the Republican-led House refusing to pay the country's debts unless President Joe Biden agrees on cuts to current and future spending and new curbs on social programs.
- Unless a compromise to raise the government's borrowing authority is reached within days, the US could lose its reputation as the stable anchor of the global economy. Millions of people could see retirement and veterans benefits put on hold once the government exhausted its ability to pay its debts due to the borrowing cap set by congress.

- A US default would reverberate through the financial market, likely triggering a recession that would cause serious job losses and shatter an already fragile sense of economic security for many families.
- Biden has already backed down from his position that he will not negotiate over the debt limit — which needs to be raised to pay for spending already authorized by Congress and authored by him and previous presidents. His officials says it's irresponsible for the GOP to hold the country "hostage" on such a critical issue. Republicans, however, say that the government is spending too much money and see the threat of financial calamity as their premier leverage against Biden.
- Roller coaster negotiations, suspended talks and accusations of bad faith are part of any spending showdown in Washington. The acrimony is often greatest when bargaining hits a critical point prior to an eventual deal.

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