

# **GENERAL TERMS FOR THE UNITED STATES OF AMERICA AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND ECONOMIC PROSPERITY DEAL**

## **Context and Objectives**

President Donald J. Trump and Prime Minister Sir Keir Starmer committed to deliver shared prosperity for American and British citizens alike. Our governments have a unique opportunity to enhance our economic partnership through the **U.S.-UK Economic Prosperity Deal (EPD)**.

A first of its kind, the United States and the United Kingdom expect the EPD to address three core objectives, based on fairness and reciprocity:

1. To grow the quality and volume of mutually beneficial trade between the United States and the United Kingdom, creating good, high-paying jobs and growth in both countries;
2. To remove barriers to make it easier for American and British businesses to operate, invest and trade in both countries; and
3. To ensure that the Special Relationship is rooted in an enduring economic partnership that is fair, reciprocal, future-facing, and built on a shared vision of the challenges that face our economies.

This document serves to define the general terms for the EPD that set forth the shared desires of the United States and the United Kingdom to make bilateral trade fairer, easier, and more substantial. Alongside this document covering our trading relationship, we are continuing discussions toward a transformative technology partnership between our countries.

The United States and United Kingdom are immediately beginning negotiations of the EPD to develop and formalize the proposals made in this document. Once the initial proposals have been formalized and implemented, the United States and United Kingdom understand that the EPD can further be expanded over time to cover additional areas. Each country intends to continue to improve market access under the EPD.

Both the United States and the United Kingdom recognize that this document does not constitute a legally binding agreement.

## 1. Addressing Tariffs

(a) Following a reasonable period of negotiation: (i) the United Kingdom intends to reduce its applied tariff rates on a preferential basis on a range of originating goods of the United States in sectors of importance to the United States; and (ii) the United States intends to reduce its applied tariff rates on a preferential basis on a range of originating goods of the United Kingdom in sectors of importance to the United Kingdom. The countries intend to coordinate the timing of their respective tariff reductions to be as soon as practicable, taking into consideration their respective domestic processes. On request of the United Kingdom, the United States will consider reducing its applied tariff rates for a UK territory or territories for whose international relations the United Kingdom is responsible on a preferential basis.

(b) U.S. beef exports to the United Kingdom are currently subject to a 20 percent tariff within a quota of 1,000 metric tons (mt). The United Kingdom will remove the 20 percent tariff. Additionally, the United Kingdom will create a preferential duty-free quota of 13,000 mt for U.S. beef. In return, the United States will reallocate to the United Kingdom 13,000 mt of its existing “Other Countries” tariff rate quota (TRQ) for beef. Additionally, the United Kingdom will offer a preferential duty-free TRQ of 1.4 billion liters for U.S. ethanol.

(c) The United States intends to provide certain key UK imports with modified reciprocal tariff treatment, based on our balanced trading relationship and shared national security priorities. Any such modifications will be consistent with those shared national security priorities, including priorities identified in future U.S. Section 232 investigations.

- (i) The United States will create a quota of 100,000 vehicles for UK automotive imports at a 10 percent tariff rate, and an accompanying arrangement for attendant auto parts for such autos.
- (ii) The United Kingdom will work to promptly meet U.S. requirements on the security of the supply chains of steel and aluminum products intended for export to the United States and on the nature of ownership of relevant production facilities. Understanding the United Kingdom will meet these requirements, the United States will promptly construct a quota at most favored nation (MFN) rates for UK steel and aluminum and certain derivative steel and aluminum products.
- (iii) Contingent on the findings of the U.S. Section 232 investigation on pharmaceuticals and pharmaceutical ingredients, and consistent with the United Kingdom’s compliance with the supply chains security requirements described in subparagraph (ii), the United States and the United Kingdom intend to promptly negotiate significantly preferential treatment outcomes on pharmaceuticals and pharmaceutical ingredients. The United Kingdom confirms that it will endeavor to improve the overall environment for pharmaceutical companies operating in the United Kingdom.
- (iv) In addition to products already addressed in this document, the United States and the United Kingdom intend to adopt a structured, negotiated approach to other

sectors that may be subject to Section 232 investigations or other tariff measures with a view to a significantly preferential outcome. Any such approach is contingent on the United Kingdom ensuring the security of supply chains, using appropriate measures, of products intended for export to the United States and on the findings of related U.S. investigations of, or other tariff measures related to, such sectors.

(d) To ensure U.S. and UK firms can benefit from these changes in practice, both countries intend to apply rules of origin that maximize bilateral trade and prevent non-participants from using our bilateral arrangement to circumvent tariffs. The United States affirms that it intends to take into consideration during the negotiations of the EPD the United Kingdom's request that the United States continues to work to lower tariffs on UK goods imposed by U.S. executive authority as well as those subject to Congressional approval.

## **2. Addressing Non-Tariff Barriers**

(a) The United Kingdom and the United States plan to work constructively in an effort to enhance agricultural market access. Further, both countries positively support future discussions to strengthen bilateral agricultural trade. The United Kingdom and the United States affirm that imported food and agricultural goods must comply with the importing country's sanitary and phytosanitary (SPS) standards and other mutually agreed standards. The United Kingdom and the United States commit to working together to improve market access for agricultural products, to highlight concerns, and to increase agricultural cooperation on areas such as certain export verification programs to facilitate greater trade, and more formal bilateral engagement through international standard setting bodies.

(b) The United Kingdom and the United States each confirms its intent to accord to conformity assessment bodies of the other treatment no less favorable than that it accords to conformity assessment bodies located in its own territory. Treatment under this paragraph includes procedures, criteria, fees, and other conditions relating to accrediting, approving, licensing, or otherwise recognizing conformity assessment bodies.

(c) Both countries intend to build on an existing set of Mutual Recognition Agreements (MRAs) by negotiating additional agreements, as appropriate, across certain industrial goods and advance toward an agreement on services domestic regulation.

(d) The United Kingdom and United States intend to discuss the principles and criteria used in order to recognize a standard as an international standard. The United Kingdom and the United States will further commit to discuss respective applicable standards for mutually agreed sectors of interest and, within those specified sectors, to agree which of the other's relevant domiciled standards development organizations (SDOs) currently meet recognized international principles.

### **3. Increasing Digital Trade**

- (a) Both countries confirm that they will negotiate an ambitious set of digital trade provisions that will include within its scope services, including financial services.
- (b) Both countries confirm that they will negotiate provisions on paperless trade, pre-arrival processing, and digitalized procedures for the movement of goods between our countries.

### **4. Strengthening Alignment and Collaboration on Economic Security**

- (a) Both countries intend to strengthen cooperation on economic security, including by coordinating to address non-market policies of third countries.
- (b) Both countries intend to cooperate on the effective use of investment security measures, export controls, and ICT vendor security, building on the current levels of close alignment on trade and investment security measures.
- (c) In order to ensure more competitive, reciprocal, and secure access to our procurement markets, both countries reaffirm their procurement commitments under the Agreement on Government Procurement (GPA) and their respective free trade agreements, and intend to discuss the implementation of our respective procurement commitments, including through the United Kingdom's new National Security Unit for Procurement and the United Kingdom's new powers under the Procurement Act 2023, which provides that non-"treaty states" are not guaranteed non-discriminatory treatment in procurement.
- (d) Both countries confirm that they will negotiate as part of the EPD provisions on duty evasion customs cooperation to combat evasion schemes and the illegal transshipment of goods from countries subject to antidumping, countervailing duties, safeguards, etc., which undermine economic security.

### **5. Commercial Considerations and Opportunities**

Both countries commit to continuing to identify mutually beneficial goods, services, investment opportunities and commercial transactions that serve to increase economic integration in critical industries and defense preparedness, leveraging government policies, licenses, and programs and private-sector participation to facilitate such transactions.

### **6. Other Matters**

- (a) Both countries confirm that they intend to discuss high-standard commitments related to intellectual property rights protection and enforcement, labor practices (including addressing forced labor in supply chains), and environmental policies and practices.
- (b) The United Kingdom will consider the interests of those UK territories for whose international relations it is responsible.

(c) The United Kingdom and the United States recognize that the purpose of this arrangement is to deepen our trade relationship based on mutual trust and a shared commitment to fair and reciprocal trade. On request of either country, the United Kingdom and the United States will consult with a view to considering any changes that may need to be made to this arrangement to ensure that it remains mutually beneficial.

(d) The United States or the United Kingdom may terminate this arrangement by giving written notice to the other. The United Kingdom and the United States further plan to discuss procedures for review and termination as part of the negotiations of the EPD.

This document becomes operative on May 8, 2025.