



Department for
Business & Trade

Call for Input on Potential Powers to Protect the UK from Adverse Economic Pressure

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Executive Summary

This call for input document sets out the rationale for why the UK government is considering new powers to protect the UK from adverse economic pressure and how these might work. It highlights the growing challenges in global trade, the rise of unfair practices, and the limitations of current UK domestic and international tools to deal with the practice. The objective of this call for input is to seek views on whether and, if so, how the UK government should develop new domestic powers that would strengthen the current trade defence toolkit to protect the UK from adverse economic pressure. Developing new powers could provide a mechanism for swift, proportionate, and time-limited measures to be implemented across key economic sectors in the face of an act of adverse economic pressure. Any new powers would be used as a last resort and would be governed by clear principles to ensure proportionality and accountability. The document also sets out plans to work with devolved governments, crown dependencies, and overseas territories to consider the territorial application of any powers, should they be developed.

Chapter 1: Introduction

International Trade as a Driver of Economic Growth

1. As an open trading nation, the UK thrives on its connections with the world. International trade fuels economic growth in the UK, [making up 60% of our country's GDP](#) in 2024.¹ Moreover, it creates significant benefits for businesses, workers, and consumers alike. International trade creates sales opportunities for businesses, enables them to specialise where they hold a competitive advantage, and encourages greater innovation and productivity. For consumers, trade means greater choice of products and services as well as lower prices.
2. UK goods exports are highly trade-intensive, [accounting for 42% of UK exports in 2024](#). The UK has also established itself as a services superpower. UK services exports have risen in real terms [every year since 2010](#)² and reached [£508 billion in 2024](#). These strengths across goods and services exports have enabled the UK to harness international trade as a powerful lever for long-term economic growth in an increasingly competitive global landscape.

¹ ONS UK trade April 2025 and ONS GDP UK first quarterly estimate Q1 (Jan to Mar) 2025.

² Except for 2020, due to the covid-19 pandemic (source: [Impacts of the coronavirus on UK trade - Office for National Statistics](#) ONS UK Trade December 2020).

The Changing Global Trade Landscape

3. Despite the opportunities that trade affords to countries like the UK, geopolitical tensions, rising trade restrictions, and growing global uncertainty are causing a drastic shift in [global trade](#). Increased disruptions to supply chains from the [COVID-19 pandemic](#), [global conflicts](#), and [climate-related](#) impacts have significantly slowed global growth. Traditional trade flows have changed and continue to change as countries seek to increase their resilience and compete for access to new markets and resources. In addition, the World Bank has [reported](#) that nearly 3,000 trade restrictions were imposed globally in 2023 – a fivefold increase compared to 2015. By mid-2025, the [WTO reported](#) that trade restrictions – including tariffs, quotas, or export bans – were affecting \$4.6 trillion worth of goods, the equivalent of 19.4% of all global merchandise imports. Whilst some of these measures address legitimate concerns, the overall [increase in trade restrictions](#) reflects a [broader trend towards protectionism](#) that disrupts fair and open markets. Instability in the global trading system leads to [higher prices for consumers, increased global tension, and uncertainty for business](#), which discourages long-term investment.
4. Whilst the UK's position as a highly open and trade-dependent economy brings many benefits, it also leaves the UK increasingly exposed to external shocks. In this environment, the UK needs to consider how it can effectively protect itself from **adverse economic pressure** (see Box A).

Box A: Powers to protect the UK from Adverse Economic Pressure

Adverse economic pressure refers to the threat or use of economic measures by a state against another, in this case the UK or UK economic entities. Its aims are to obtain or prevent a change in law, policy, or action. This includes obtaining strategic or economic concessions or advantages, or to otherwise damage the UK's economic interests.

Adverse economic pressure can take the form of a range of economic measures, and may be conducted through obscure routes, which in some instances makes it difficult to identify. Examples of what adverse economic pressure against the UK could look like in practice include:

- Unexplained customs delays at the border, excessive and disproportionate inspections or outright removal of permissions for goods or services which can see businesses suddenly lose or have reduced access to export markets.
- The sudden imposition of arbitrary border procedures for imported goods or services including, in some cases, additional customs duties or tariffs.
- Threats to withdraw loans and investments which businesses might rely on in a certain territory to which they export.
- A state may encourage boycotts of companies or implement tourism bans.

The application of these measures does not automatically constitute an act of adverse economic pressure. The UK government would consider the measure alongside its aim to determine whether an act has occurred.

The uncertainty, instability, and lack of transparency that can accompany acts of adverse economic pressure undermine the conditions that the UK, and other trading nations, need to operate confidently and securely.

The impacts of these acts can vary significantly – from being symbolic or short-lived to causing serious disruption to supply chains, investor confidence, and long-term damage to businesses and jobs. In severe cases, acts of adverse economic pressure can result in [economic losses](#) in the targeted sectors or economies due to sudden price fluctuations and changes in trade flows, trading partners, and volumes.

How States Are Responding

5. Over recent years, harmful acts that undermine the rules-based trading system have emerged as a growing concern on the global stage. In 2023, the UK, alongside Australia, Canada, Japan, New Zealand, and the US came together to issue the [Joint Declaration Against Trade-Related Economic Coercion](#). This statement publicly condemned trade-related economic coercion and non-market policies. Building on this momentum, members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) released the [Vancouver Statement](#) at the 8th Commission meeting in 2024. The declaration reaffirmed opposition to the rise in incidents of economic coercion and other actions that undermine free, fair, and open trade.
6. Behind these declarations lies a growing body of work with international partners, including through the [G7](#) and the Organisation for Economic Cooperation and Development ([OECD](#)). This work has not only documented the real-world impacts of harmful trading practices but also provided support to countries targeted by acts of adverse economic pressure and identified strategies to build resilience against future acts.
7. With the use of unfair trading practices increasing, some countries are developing new tools, or using existing tools in different ways, to protect their economies from, or respond to, a broad range of harmful practices. Examples of new tools include:
 - a. In 2023, the EU adopted the [Anti-Coercion Instrument](#). This allows the EU to [limit or prohibit access](#) to the EU market for service providers from the coercing country, implement restrictions on the import and export of goods, impose or re-impose restrictions of customs duties beyond WTO Most Favoured Nation rates, impose restrictions on the protection of intellectual property rights or their commercial exploitation, restrict foreign direct investment, exclude firms from public procurement, and limit access to digital services and platforms.
 - b. In 2025, Brazil introduced its [Economic Reciprocity Law](#). This allows the Brazilian government to take countermeasures – like suspending trade and investment concessions or suspending obligations relating to intellectual property rights – in scenarios where foreign actions negatively impact Brazil's international competitiveness.

How The UK Can Currently Protect Itself From Adverse Economic Pressure

8. The UK's economic strength depends on an open, rules-based trading system, which the UK continues to support. A world where trade policy is increasingly

shaped by geopolitical rivalry and weaponised to achieve aims presents risks to UK businesses and consumers. In this changing landscape, it is important that the UK has the right tools – both now and in the future – to protect against, respond to and deter a growing range of economic threats.

9. In addition to playing a key role in international forums, like CPTPP, the G7 and the OECD, the UK government has been taking steps to strengthen its trade defence tools to protect against harmful economic practices. The government has run cross-government exercises to test and prepare for such acts. The UK's [Trade Strategy](#) announced the establishment of an Economic Security Advisory Service, to support businesses access government guidance, and a Supply Chains Centre, to support diversification efforts. Both services can help to mitigate the impacts of adverse economic pressure by providing advice on how companies can build greater resilience. The government has also committed to unlocking trading barriers to help businesses diversify into new markets. This helps mitigate the risk of adverse economic pressure by reducing reliance on a single supplier or state.
10. Beyond our work to improve the preparedness and resilience of UK businesses, the UK's Trade Strategy set out the Government's intentions to prepare and strengthen our trade defences for an increasingly challenging threat landscape. A proposed bill will be introduced to expand powers to tackle unfair trade practices and protect key sectors, such as steel. The UK's trade remedies system will be made more accessible, assertive and agile. The government will also take advantage of opportunities to improve subsidy transparency and the international rule framework on market distorting practices. This will help address issues such as unfair behaviour by state-owned enterprises. As part of its trade defence commitments, the UK government is undertaking this call for input to seek views on whether it should develop new domestic powers to protect the UK from adverse economic pressure.³
11. The government already has a range of options to protect the UK from unfair trading practices, such as diplomatic engagement and dispute settlement, both under the WTO and our Free Trade Agreements. The UK has also joined the WTO's Multi-party Interim Appeal Arbitration Arrangement, a temporary solution to

³ **Please note:** The Trade Strategy set out that the government would seek views on the potential for new powers to respond to 'deliberate economic pressure'. The terminology in this call for input is intended to more clearly describe the potential harms and threats the new powers would be designed to protect against and respond to.

resolve disputes between any of its members. Moreover, the government is committed to working with international partners on WTO reform.

12. However, the government believes that there is a case to consider new domestic powers to protect against acts of adverse economic pressure. The government has a range of legislative tools at its disposal relating to international trade and investment. This includes: the Import of Goods (Control) Order 1954, the Enterprise Act 2002, the Export Control Act 2002, the National Security and Investment Act 2021, the Procurement Act 2023, the Taxation (Cross-border Trade) Act 2018, and the Sanctions and Anti-Money Laundering Act 2018. But these tools were not designed for the particular purpose of protecting the UK from adverse economic pressure. The government already has tariff raising powers under the Taxation (Cross-border Trade) Act 2018 and, therefore, may not need to separately expand tariff raising tools to address acts of adverse economic pressure.
13. New powers could deter acts of adverse economic pressure or, should an act occur, allow the UK to enact time-limited response measures against the offending state. In the face of an act of adverse economic pressure, the UK would continue to use existing tools, such as diplomacy or dispute settlement, where appropriate, with any new measures available under new powers reserved for severe cases and as a last resort. As the Trade Strategy sets out, pursuing these powers could provide the UK with an expanded range of options available to address future threats. Any new powers would serve as an effective insurance policy, but one which we would hope not to have to use.
14. The government is seeking views on the need to take these powers and essential design elements if they are pursued. Central to these considerations is the need to maintain the UK's position as a stable and open place to do business.

Chapter 2: What Measures Could the Government Take to Protect the UK from Adverse Economic Pressure?

15. Introducing new powers could enhance our ability to withstand acts of adverse economic pressure and ensure that they are resolved more quickly. Holding powers could act as a deterrent, altering the risk calculus for any state considering targeting the UK. In a scenario where deterrence has failed and the UK is subjected to pressure from another state, the ability to implement measures could also

incentivise the other party to negotiate a settled outcome. Failing resolution through negotiation and diplomacy, having the ability to flexibly respond to the state applying adverse economic pressure could help protect the UK, our economy, and our businesses.

16. Any part of the UK economy could be targeted by an act of adverse economic pressure. As such, the UK should be able to respond appropriately to the specific nature and severity of the harm or threatened harm. Because such acts can vary widely in form, the areas we are considering in the scope of the powers include:

- a. Trade in goods;
- b. Procurement;
- c. Intellectual Property (IP);
- d. Investment; and
- e. Trade in services.

17. Introducing powers across these open and trade-intensive areas could give the UK flexibility to implement measures in a time-limited and proportionate manner. Measures taken could include, for example, restrictions on the export or import of certain goods, services or investment flows to or from the pressuring state. Such measures could be deployed in the same or in a different area of the economy to that being targeted by an act of adverse economic pressure. The form of any measure would be decided on a case-by-case basis with the aim of resolving the situation swiftly and effectively. Any measure the UK chooses to implement would also need to consider all relevant circumstances, including potential responses by the pressuring state.

18. The government welcomes views on the need to introduce these powers as well as their scope.

Questions on Chapter 2:

Question 1: In your view, would it be useful for the government to take powers to respond to acts of adverse economic pressure against the UK? Please indicate the level to which you agree or disagree and the rationale for your view.

Question 2: As illustrated in Box A, adverse economic pressure can disrupt normal operations across the UK's economy, organisations, and sectors. In your view, if you or your organisation were affected by adverse economic pressure, what measures should the UK government have at its disposal to respond? Please consider the broad areas listed in paragraphs 16 and 17 in your answer.

Question 3: Are there any factors the UK government should consider when using these powers, if the decision were taken to introduce them?

Chapter 3: How New Powers Could Be Exercised

19. Developing new powers would give the UK government the ability to respond effectively and appropriately should any part of our economy be targeted by an act of adverse economic pressure. To maintain the UK's position as a stable and open place to do business, the UK government is also considering both the principles as well as the checks and balances that would need to be put in place. This is to ensure the powers could be used in the right way and only when necessary.
20. With economic growth and stability at the forefront of the UK's policy objectives, the UK government is considering the following set of principles for use of the powers:
 - a. **Diplomacy first:** the UK government should first seek to resolve issues concerning adverse economic pressure through diplomatic routes, with the use of the potential powers being a last resort.
 - b. **Proportionate:** the use of any potential powers should be proportionate. Any use should seek to meet our objectives whilst carefully minimising unnecessary costs or restrictions on UK businesses, citizens and the UK economy as a whole.
 - c. **Used where there is – or there is risk of – severe harm:** any powers could be exercised where acts of adverse economic pressure are causing, or could cause, severe harm to the UK. Use of the powers should be underpinned by assessments, for example, of the scale of harm inflicted by the adverse economic pressure and of the impacts of potential measures if implemented.
 - d. **International obligations:** in determining what measures to take under these powers, the UK would act in accordance with its international legal obligations, including the WTO Agreement.
21. The UK government is considering the following checks and balances to ensure any powers are adequately scrutinised before they could be used:
 - a. **Thresholds:** The government should set a sufficiently high bar for use of the powers, reserving them for cases that meet a specific threshold of

severity. Meeting this threshold would not automatically mean that the powers needed to be used, but would give the option for them to be used.

- b. **Parliamentary scrutiny:** Use of the powers should be subject to parliamentary scrutiny and implemented through secondary legislation.
- c. **Consultation:** The government would expect in most circumstances to consult stakeholders on the impact of proposed measures before they are taken so that we can better understand the likely economic impacts. This would support the government's decision on whether to make use of the measures or not. In certain circumstances, the government may need to act urgently, so it is also considering options for implementing measures more quickly and how it would engage with stakeholders within short time frames.

Questions on Chapter 3:

Question 4: In what scenarios do you think an act or threat of adverse economic pressure (such as the examples in Box A) would be severe enough to justify the government using these proposed powers, should they be introduced? When responding, please refer to paragraph 20 and explain your reasoning, including any examples or factors you think are important.

Question 5: In your view, are there any additional principles to those set out in paragraph 20 that should guide how the powers are used, should they be introduced? Please explain your reasoning.

Question 6: The checks and balances in paragraph 21 are designed to provide scrutiny before any powers could be used by the UK government. In your view, would these checks and balances contribute to providing sufficient scrutiny ahead of any new powers being used?

Chapter 4: Territorial Application

22. As part of this call for input, the government will engage the devolved governments, crown dependencies, and overseas territories to consider the impacts of the potential introduction of new powers across the UK's sovereign territory, including their territorial extent and design.

23. For the design of any potential new powers, the government would take into account its constitutional responsibilities for defence and international relations across the UK's sovereign territory. It would also consider the risk that measures taken under these powers could be undermined by the diversion of economic

activity through the crown dependencies or overseas territories should they not be included in scope of the powers.

Questions on Chapter 4:

Question 7: In your view, if these powers were implemented, are there any specific considerations the UK government should take into account when assessing application to:

- England, Scotland, Wales, and Northern Ireland;
- Crown dependencies; and
- British overseas territories.

Additional Question:

Question 8: Are there any other issues not covered in this document that you think the UK government should consider before deciding whether to develop these powers? Please explain your reasoning.

Department for Business and Trade

The UK's Department for Business and Trade is an economic growth department. We ensure fair, competitive markets at home, secure access to new markets abroad and support businesses to invest, export and grow. Our priorities are the Industrial Strategy, Make Work Pay, the Trade Strategy and the Plan for Small Business.

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