Welcome to Trade Talking Points 16 November 2023, your fortnightly newsletter on the latest insights from EY’s Trade Strategy team

In this edition of Trade Talking Points, we provide updates on the UK Government’s call for evidence for an upgraded UK-Türkiye trade agreement, negotiations for an EU-South Korea digital trade agreement, the WTO’s upcoming 13th Ministerial Conference, the latest round of WTO e-commerce negotiations and the extension to rules of origin provisions between the UK and Mexico.

UK-Türkiye trade agreement: call for input

The UK is looking to improve and amend its current trade agreement with Türkiye. The current agreement only focuses on goods trade and the UK government has stated its ambition to include areas such as digital trade and services.

The UK Department for Business and Trade (DBT) is seeking input on potential improvements to the current Free Trade Agreement (FTA), and is particularly interested in finding out the thoughts of businesses, members of the public, and other interested stakeholders on:
Current trading agreements with Türkiye  
Where changes or improvements could be made  
Challenges or constraints faced by businesses when attempting to trade with Turkey

Businesses have until 5 January 2024 to respond to the consultation via this form.

**EU-South Korea digital trade agreement**

Negotiations on an EU-South Korea digital trade agreement have been launched, with the European Commissioner for Trade, Valdis Dombrovskis, and Korean Minister for Trade, Dukgeun Ahn, making the announcement via a joint statement.

A digital trade agreement between the EU and Korea would provide businesses with greater clarity on the laws concerning digital trade and would enhance the openness of the digital environment through increased protection. The agreement will build upon the success of the existing FTA between the EU and Korea, as well as the Digital Trade Principles signed by both jurisdictions in November 2022.

Businesses should benefit from the commitments of both the EU and Korea to counter digital protectionism and recognise the key role played by digital trade in enhancing green transitions.

**WTO’s upcoming 13th Ministerial Conference**

The World Trade Organisation’s (WTO) 13th Ministerial Conference (MC13) will take place in February 2024 in Abu Dhabi. Senior Officials from all WTO members gathered last week in Geneva to prepare for the upcoming meeting, with significant divergence between countries as to what MC13 should seek to achieve and how negotiations should be structured emerging. WTO Director-General Ngozi Okonjo-Iweala has urged WTO members to increase their efforts
in order to ensure that MC13 will yield tangible results.

With the reform of the WTO being identified as a key priority among WTO membership, in particular the dispute settlement mechanism, the Chair of the WTO’s highest non-ministerial body, the General Council, noted that there has been a push to ensure that MC13 is structured to allow ministers to prioritise reform and the decisions that can enable it. Other key topics on the MC13 agenda include:

- Agriculture and food security
- E-commerce work programme and moratorium on customs duties for electronic transmissions
- TRIPS Waiver
- ‘Second wave’ of fisheries subsidies negotiations
- Development matters

**WTO e-commerce negotiations**

Following our last update on the WTO Joint Initiative on E-Commerce (which is being led by Australia, Japan and Singapore), the latest round of negotiations took place on 25-27 October.

A discussion was had on the scope of a future e-commerce agreement, as well as on data flows and localisation, as a result of the US withdrawing its support for those elements under negotiation. The talks were due to be concluded by the end of 2023, despite the package being delivered being said to fail to meet members’ and business’ expectations.

**Extension to rules of origin provisions between the UK and Mexico**

The UK and Mexico are currently in the process of negotiating a new FTA to build upon the current continuity agreement that came into force in June 2021.
The UK has secured an extension to its rules of origin provisions with Mexico, allowing products from UK manufacturers to enter the Mexican market with reduced or zero tariffs. The arrangement will enter into force from 1 January 2024 and will be effective until the new agreement is established.

UK businesses will benefit from avoiding high Mexican tariffs, with the news being particularly welcome for the automotive industry and food and drink manufacturers. UK businesses looking to expand their trade with Mexico should continue to monitor and engage on developments on the upgraded FTA between the two countries and potential additional market access that could be granted as a result.

We also publish the following UK tax newsletters which can be subscribed to below: EY VAT News for indirect tax news, Midweek Tax News for corporate tax news and People Advisory Services Weekly News Round Up for employment, reward and mobility news.

Further information

If you would like to discuss any of the articles in this week’s edition of Trade Talking Points, please contact the individuals listed below, or your usual EY contact.

Sally Jones (+44 20 7951 7728)
George Riddell (+44 20 7951 9741)
Margarethe Taucher (+44 20 7783 0232)

For other queries or comments please email eytaxnews@uk.ey.com.
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