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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	EU trade and use of trade preferences under the TCA in 2024 (28 October 2025) - Presentation

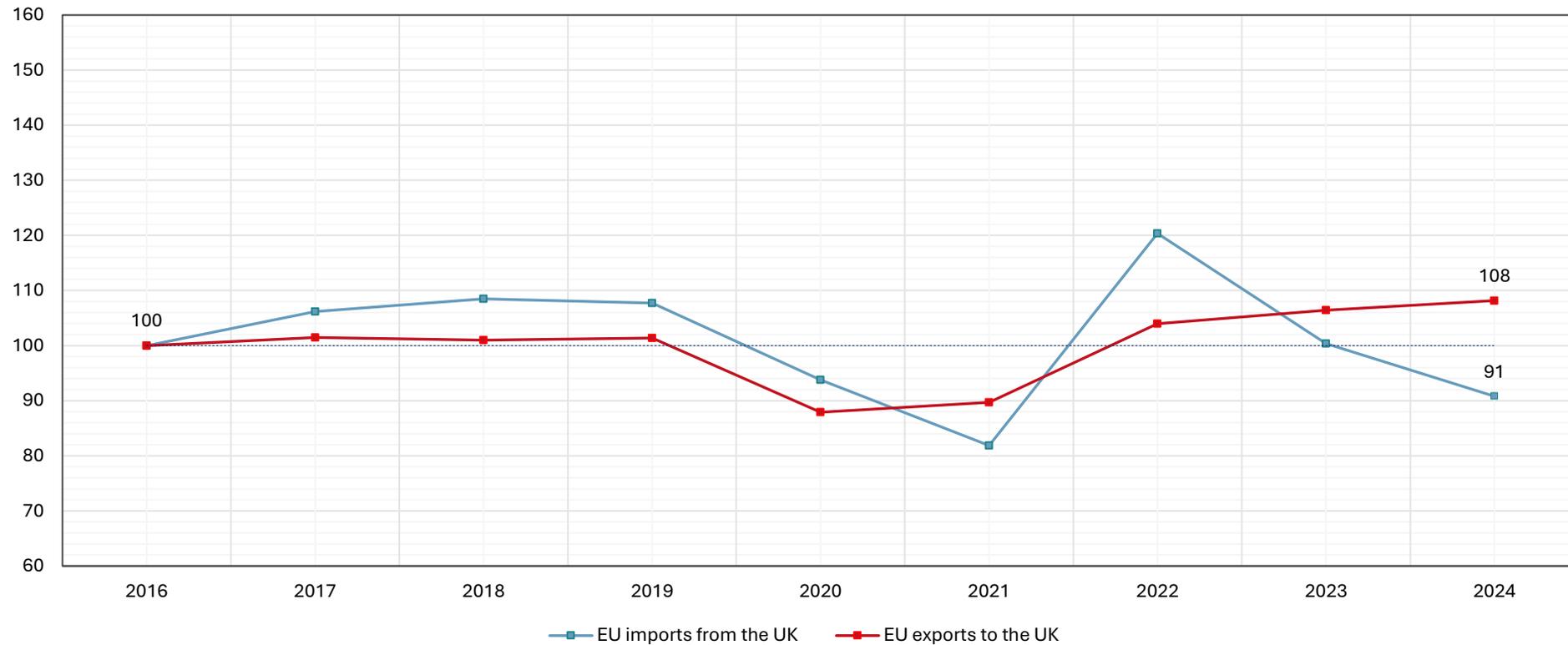


EU trade and use of trade preferences under the TCA in 2024

Presentation to the Working Party on the United Kingdom, 28 October 2025

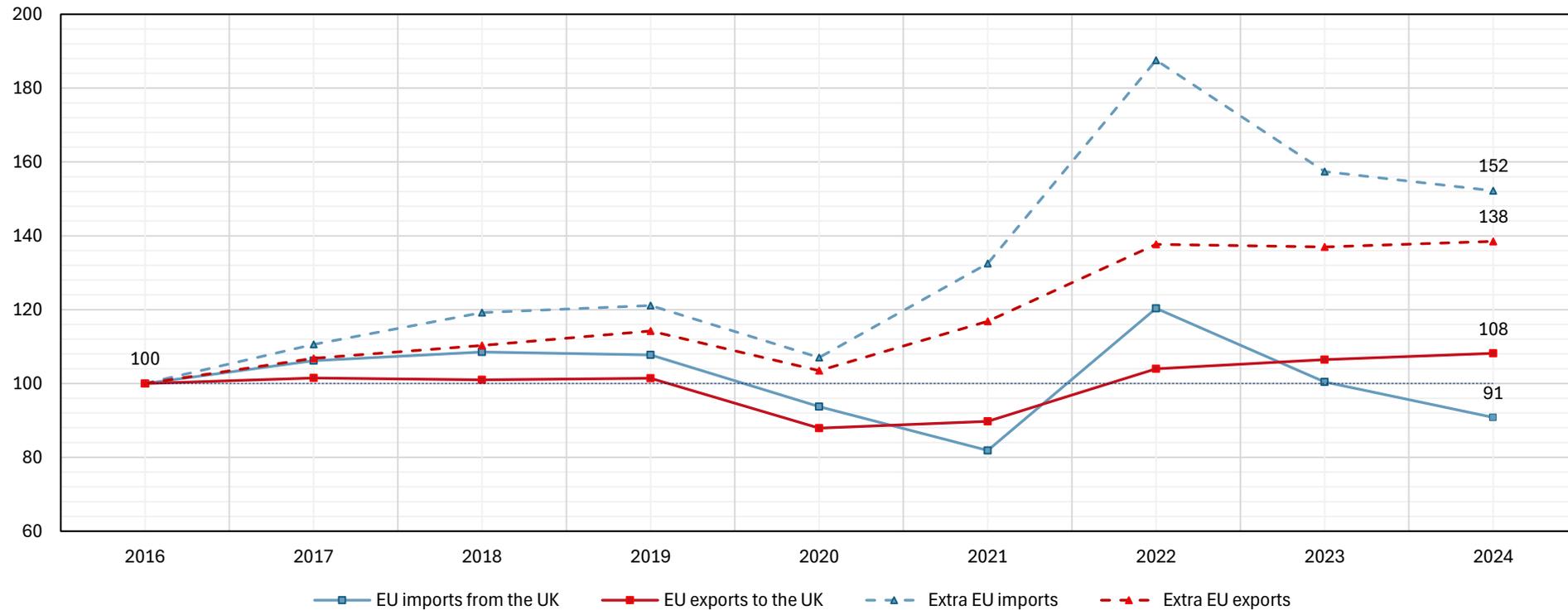
EU-UK trade has been consistently subdued

Evolution of EU trade with the UK, thousands of EUR (index 100 in 2016)



... and is lagging behind EU trade with the rest of the world

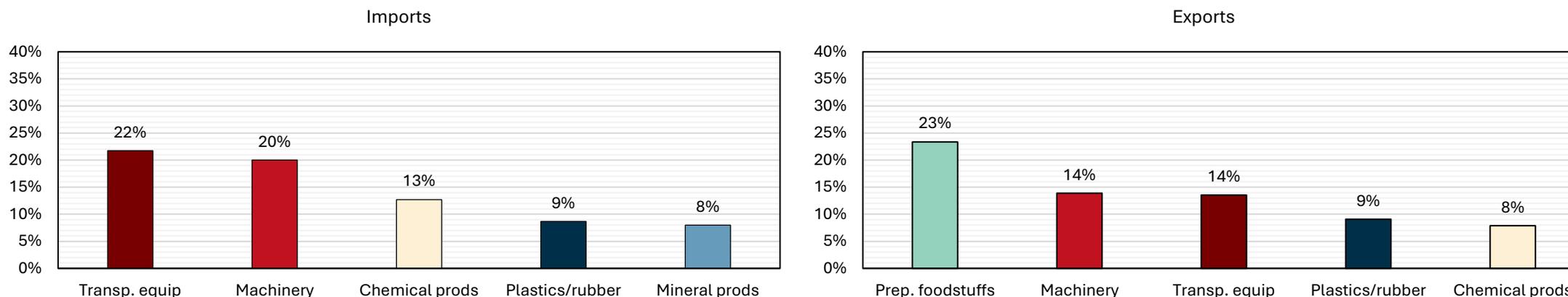
Evolution of EU trade with the UK and with Extra-EU partners, thousands of EUR (index 100 in 2016)



A handful of sectors dominate preference eligibility

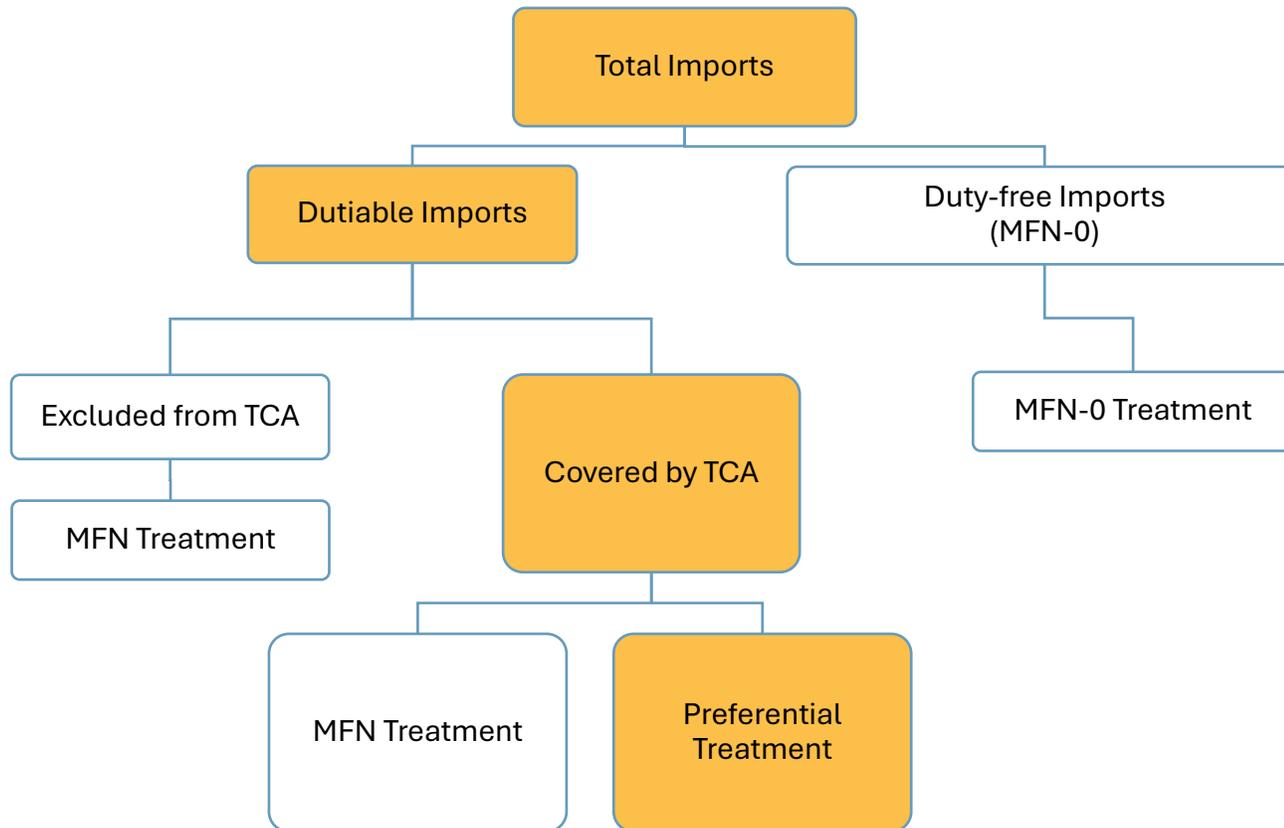
- In 2024, about **48.5% of EU imports from the UK** and **39.5% of EU exports to the UK*** were **eligible** for trade preferences. The rest was imported at zero duties under the MFN regime.
- **BE, DE, FR, IE and NL** accounted for about **70% of EU preference eligible imports**.
- **DE, ES, FR, IT, NL, and PL** accounted for about **70% of EU preference eligible exports**.
- The same **HS sections** dominate both preference eligible imports and exports.

Distribution of preference eligible imports by main categories of traded products (2024)



* Based on UK reported figures

Import regimes in the presence of the TCA

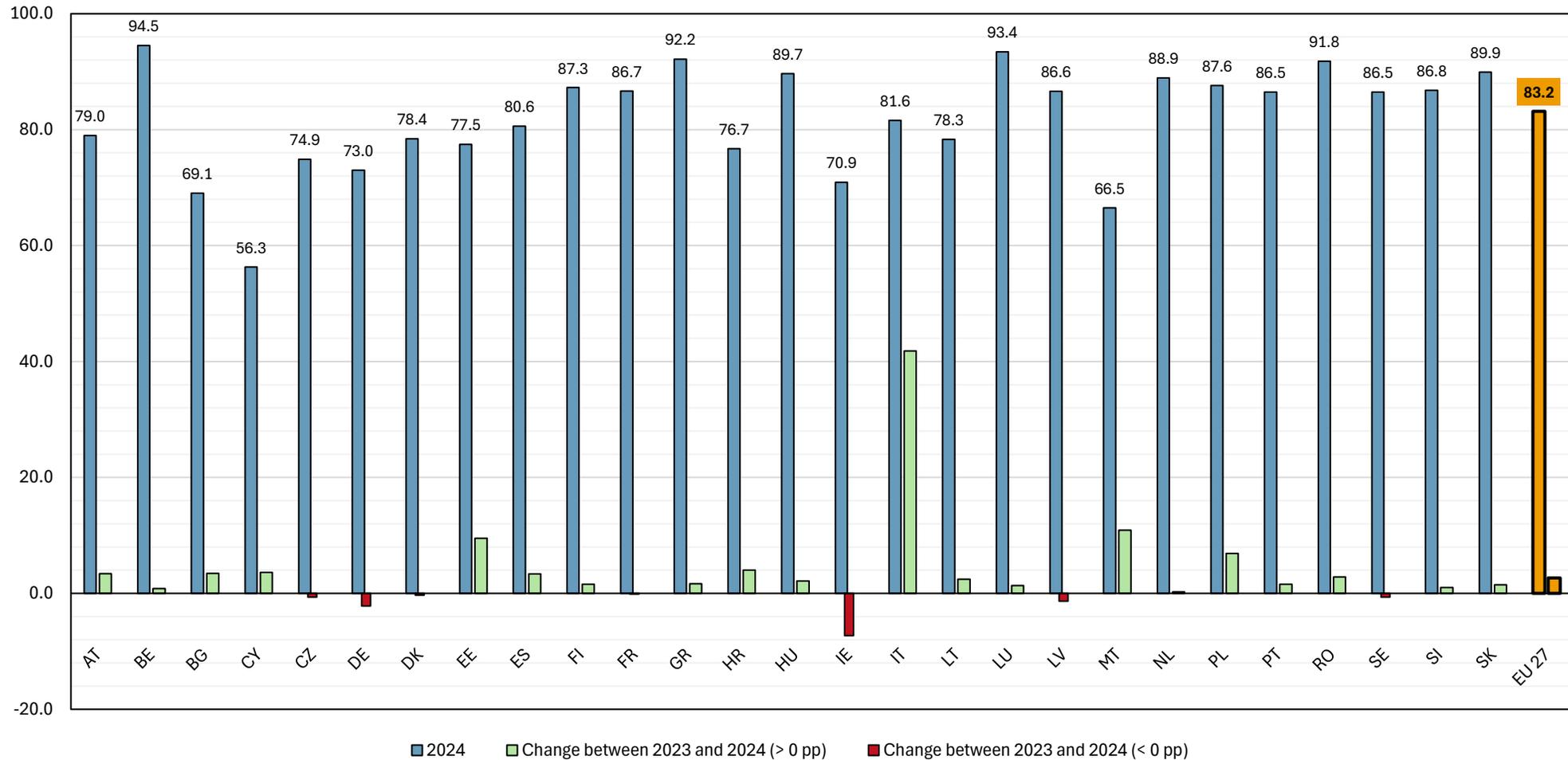


$$\text{PUR} = \text{value of imports under preferential treatment} / \text{value of imports covered by the TCA}$$

$$\text{Potential duty savings} = \text{Value of imports (covered by TCA)} * (\text{tariff}_{\text{MFN}} - \text{tariff}_{\text{TCA=0}})$$

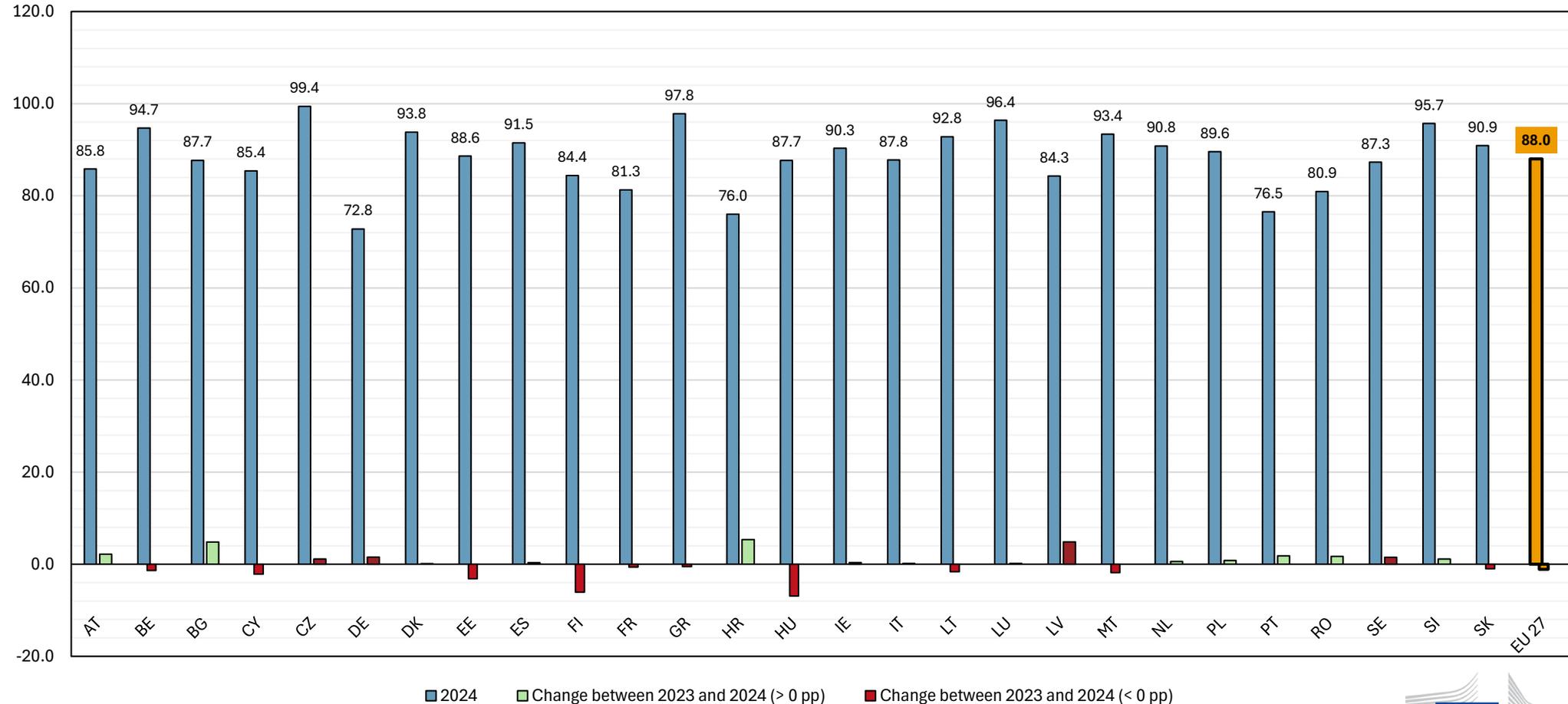
In 2024, preference utilisation for EU imports remains similar compared to 2023

PURs of EU imports from the UK, by country (2024), %
PURs on EU imports remain aligned with 2023 figures



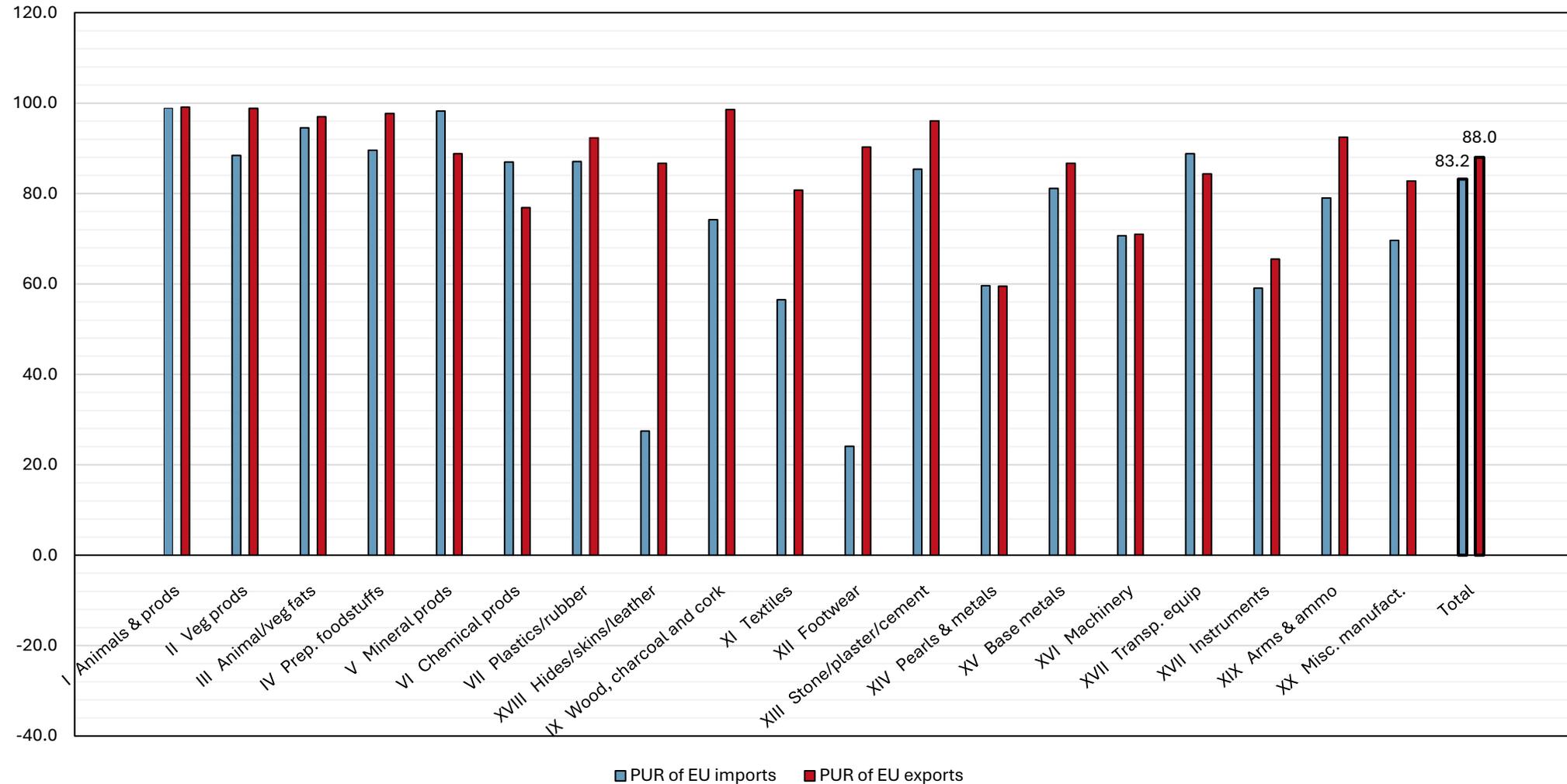
In 2024, preference utilisation for EU exports remains similar to 2023

PURs of EU exports to the UK, by country (2024), %
PURs on EU exports remained similar in 2024 compared to the previous year



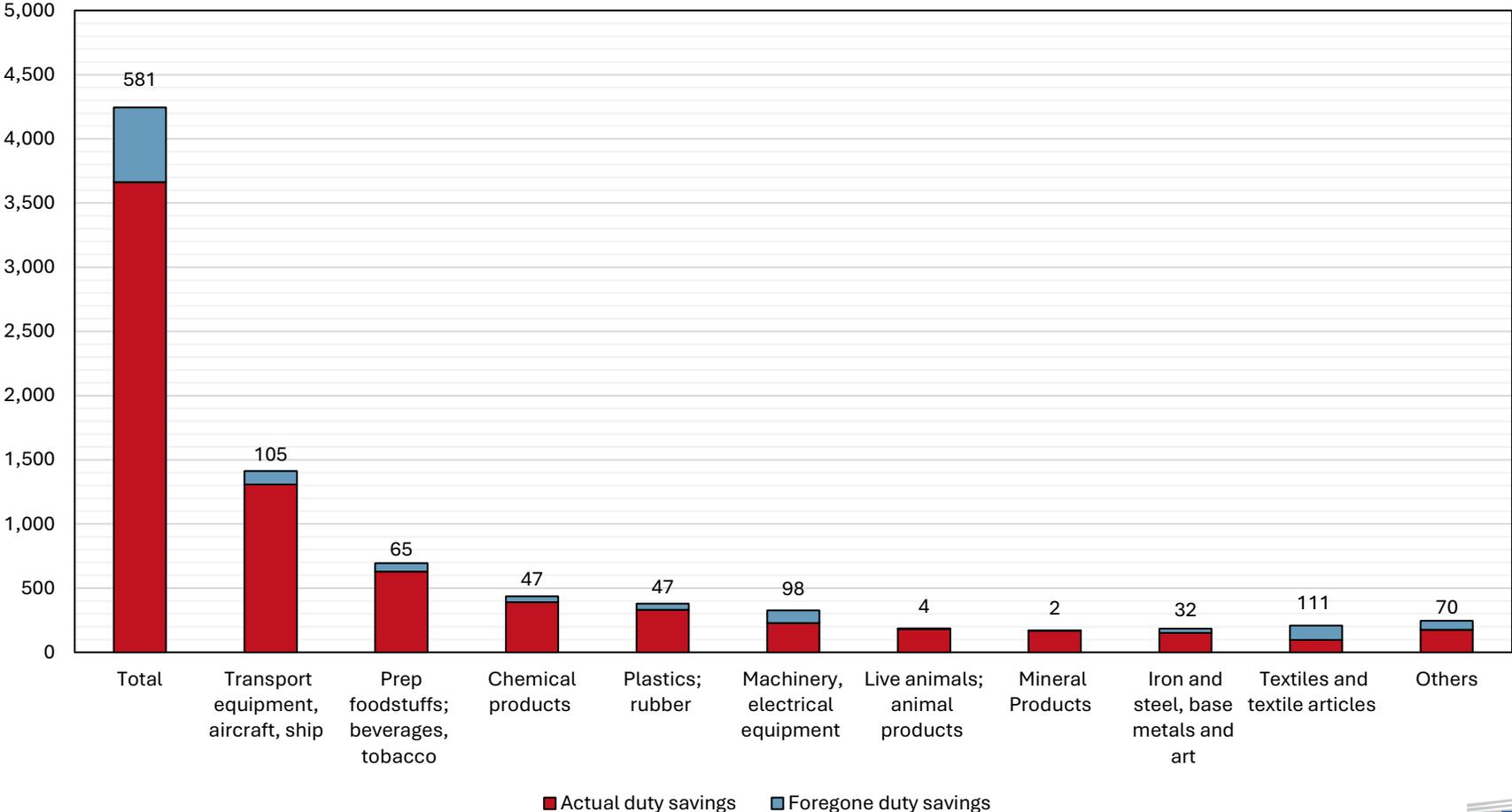
PURs of EU imports and exports vary at HS level

PURs of EU trade with the UK, by HS sector, % (2024)



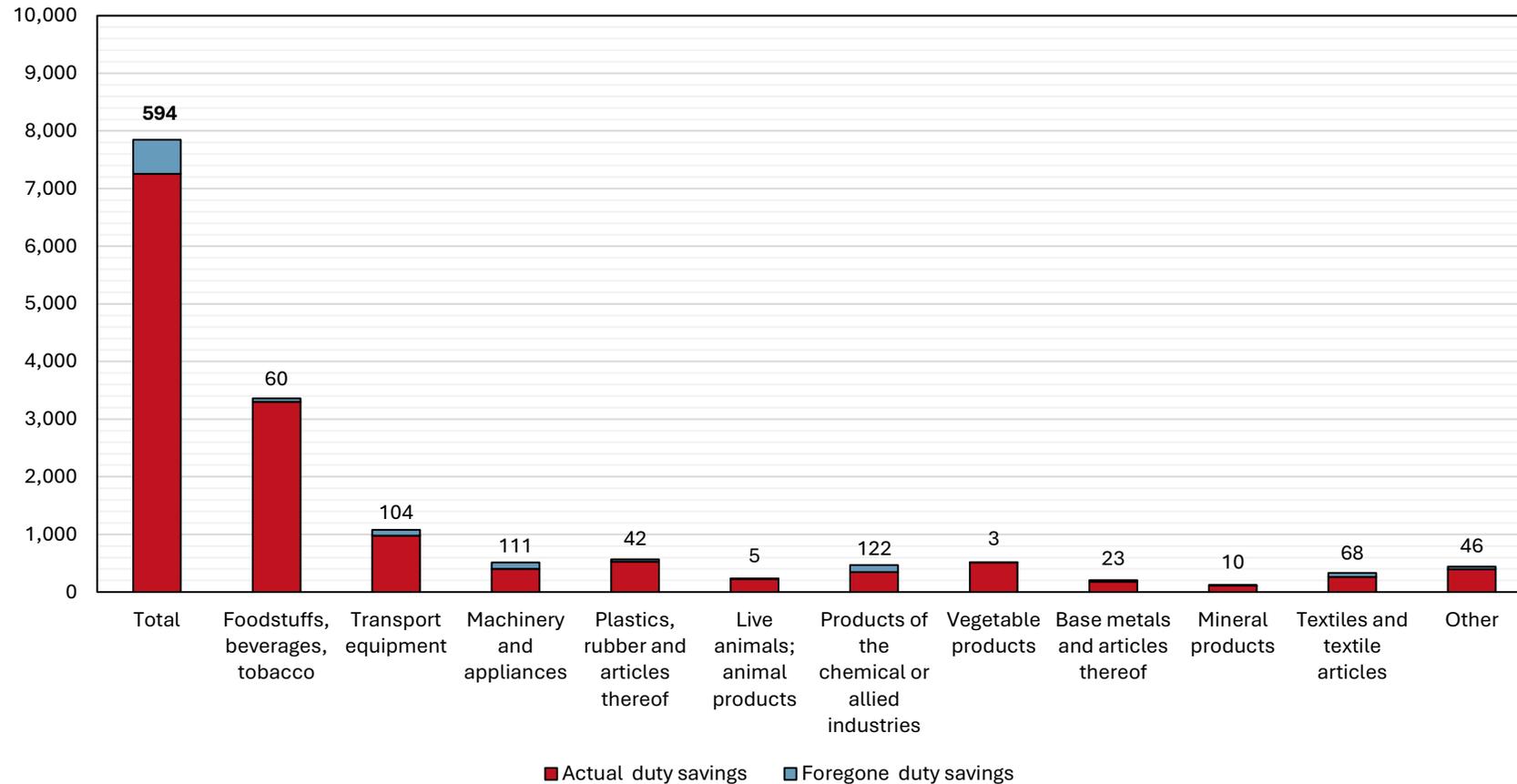
Actual and foregone duty savings on EU imports

EU imports from the UK (2024), in Millions €, by main traded product categories

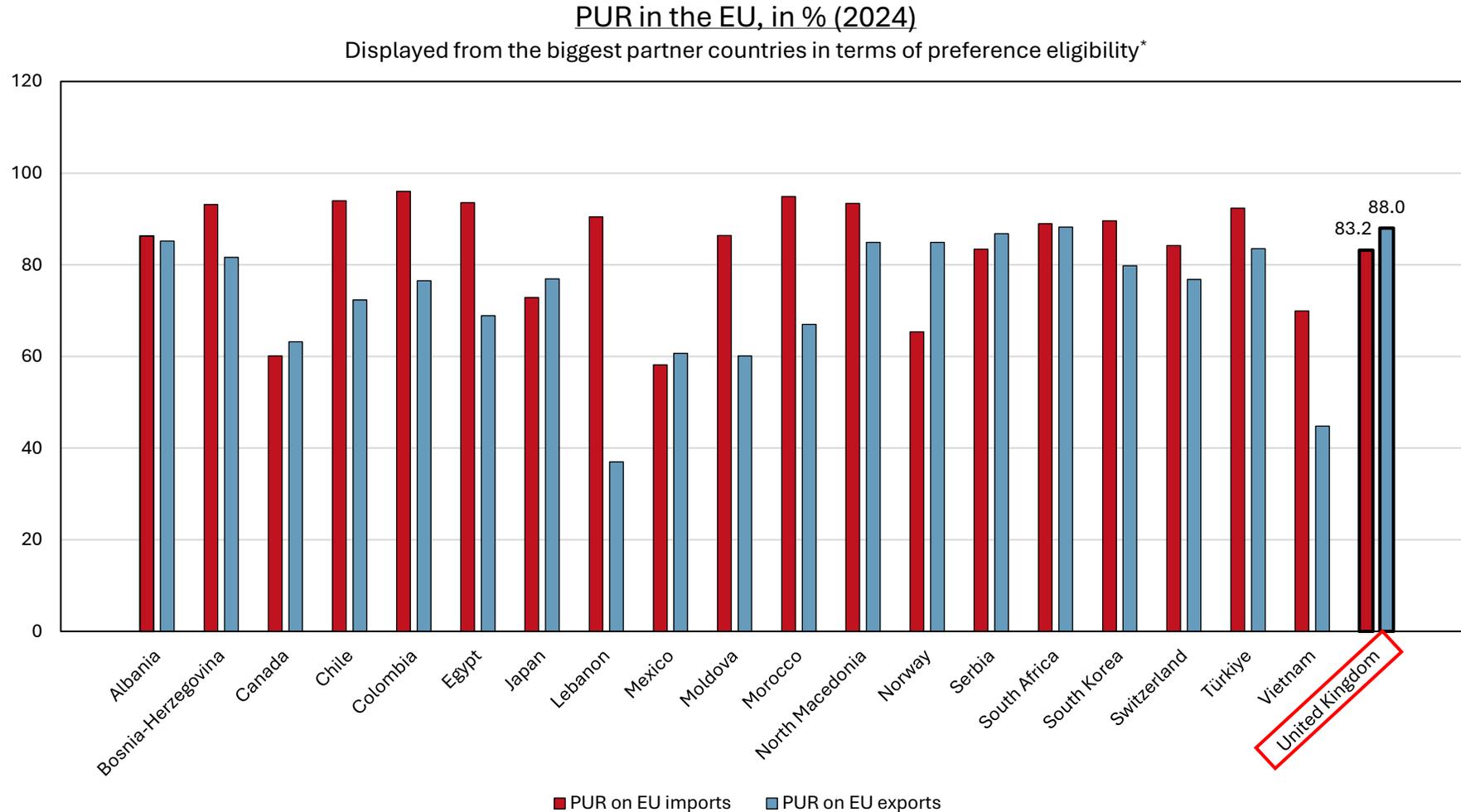


Actual and foregone duty savings on EU exports

EU exports to the UK (2024), in Millions €, by main traded product categories



PURs of EU trade from the UK are on par with other partners



* For 2024 exports, not all countries have reported their figures

Factors explaining the use of preferences



Knowledge (learning) and awareness (time and information)



Potential duty savings
(preferential margin*value of imports)



Rules of origin? Mixed evidence, but in any case, an integral part of any FTA



Data at the firm pair level needed to properly analyse the issue