

Voluntary Report – Voluntary - Public Distribution

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Report Name: Overview of UK - EU Engagement on a Potential SPS Agreement

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Report Highlights:

The UK government is committed to signing a new Sanitary and Phytosanitary agreement with the EU to ease post-Brexit trading frictions, but depending on the type of deal agreed, it may impact the UK's ability to negotiate future Free Trade Agreements. This report explores the background to a possible agreement and the significance of the specific aspects of any potential deal.

ISSUE: The new UK government's trade priorities include a commitment to signing a new Sanitary and Phytosanitary (SPS) agreement with the EU to ease post-Brexit trading frictions, by reducing the need for extensive checks and paperwork. Depending on the type of SPS agreement that is agreed, it may impact the UK's ability to negotiate future FTAs, including with the United States. For example, entering into a so-called 'Switzerland-style' agreement would require the UK to align with almost all the EU's food safety rules and then dynamically replicate all future regulatory changes made by the block, thereby constraining the UK's flexibility in negotiating the agricultural chapters of other FTAs.

BACKGROUND: For many of its proponents, regulatory autonomy and perceptions of regaining sovereignty were major drivers of Brexit. While previous versions of the Brexit Withdrawal Agreement that would have ceded some degree of regulatory autonomy failed to receive Parliamentary approval under then Prime Minister, Theresa May, it was a more purist approach that was eventually passed by Boris Johnson, following his election victory in December 2019.

When in opposition, the UK Labour Party had responded to the outcome of the Brexit vote by advocating for a second referendum, before pivoting towards a softer form of Brexit that would reduce the negative economic impacts, once the point of exit had been reached. Labour came to power after the July 2024 election committed in its manifesto to negotiating a UK-EU SPS agreement as the most substantive trade-related element of their promised 'reset' in relations with the EU.

The EU's comprehensive SPS agreements range from those struck with neighbors (Switzerland), who implement EU laws in full, to more distant countries (New Zealand) who engage in detailed discussions on regulatory equivalence in return for reduced barriers. While it must modify its legislation in response to changes in the EU, the agreement Switzerland has removes all documentary, identity and physical checks at the border, as well as most paperwork. Switzerland is also obliged to apply the same rules as the EU to imports from non-EU countries. The New Zealand deal by contrast does not remove the need for documentary and identity checks at the border, nor the need for veterinary certificates, but it does eliminate most physical checks, although 100 percent of live animals remain subject to checks, and 1–10 percent of meat and dairy products.

To date, the UK government has been reticent to spell out in detail precisely what sort of SPS agreement it is seeking with the EU. The UK Minister responsible for the overall EU reset negotiations, Nick Thomas-Symonds, talked initially about seeking "an ambitious SPS Agreement", before telling a Parliamentary Select Committee hearing in January 2025 he wanted a "bespoke" SPS deal, with the implication that neither a Swiss nor New Zealand style approach was perfectly suited to the UK's situation. Subsequent newspaper reports suggested that in initial negotiations with the EU, the UK government has already made concessions on EU demands for dynamic alignment on food safety rules, with this linked to freeing up negotiating capital for more controversial areas of the wider reset, such as youth mobility. The next major milestone in the negotiations is the first post-Brexit UK-EU summit scheduled for May 19, at which point the UK will likely need to be more explicit about its positioning on SPS.

While the UK has not proactively diverged from almost any EU food safety rules post-Brexit, it has implemented a ban on live animal exports and moved ahead on gene editing as part of its Precision Breeding Act adopted in 2023. Opposition spokespeople have cited these changes as being at risk should

the UK agree a dynamic alignment SPS deal, unless those aspects were agreed as specific carve outs in the negotiations.

The potential for possible carve outs have been highlighted by the deepened food safety agreement struck between the European Commission and Switzerland in December 2024. Interesting parallels can be drawn with the UK's quest for carve outs, as the December deal allows Switzerland to maintain standards that were different from those of the EU, notably in the case of genetically modified organisms and animal welfare. It is also worth highlighting that as part of its existing SPS deal with the EU, the Swiss managed to get a carve out allowing the import of hormone-treated beef from other countries, even though it is prohibited domestically. The main reason for seeking such a carve out relates to the 1997 World Trade Organization case the EU lost, with the Swiss arguing that it could not align with the EU on this issue because it would put it in breach of its international obligations.

Attachments:

No Attachments.