**Impact of UK deal with European Union and Pakistan**

[Yasmeen Aftab Ali](https://dailytimes.com.pk/writer/yasmeen-aftab-ali/%22%20%5Co%20%22More%20Articles%20by%20Yasmeen%20Aftab%20Ali)

December 31, 2020

What intrinsically this means for U.K is that their produce, may it be medicines, cars, groceries and so on, will not face tariffs as they export them to European Union. Boris Johnson, in his announcement of the deal says:

“It is the first ever trade agreement based on zero tariffs and zero quotas that the EU has ever agreed and its fantastic news for families and businesses in every part of the UK. Businesses will be able to trade smoothly and people will continue to buy goods from Europe tariff-free.”

So in a nutshell; no quotas, no taxes on goods crossing borders [tariffs].

It may create irritants at borders, for traders who are not used to checks of documents, however, the opportunities this deal provides far supersedes these irritants.

The deal is the beginning. First, U.K will become an ‘outsider country’ to EU. The question whether or not London will continue being the focus of European financial transactions will hang in balance till they gain access to the Single Market.A single market is basically allowing trade [like the European single market] allowing free trade between member states.]

The downside of such a single market as the European Union is that the sovereignty of a nation may take a back seat and power to devise laws may be lost. There is unrestricted labor movement, allowing greater access to cheaper labor leading to loss of jobs. Some industries may suffer due to others and the decision is of the common market-not one nation having the right to decide over its industries, laws [EU Law, European Court of Justice] so on and so forth.

*The test for Pakistan’s government will be to select the best not from the party, but from the country to form a proper strategy that takes onboard interests of both nations which will be a win-win situation for both!*

However, U.K has its work cut out for them. They need to set it place bilateral agreements. This will in all likelihood depend upon kind of services, products etc offered. The exit allows U.K space to enter into deals with other countries at their own terms.

Pakistan High Commissioner Moazzam Ahmad Khan had shared with the business community that Pakistan would continue to benefit from the UK’s trade preferences scheme at par with the EU GSP Plus facility after Brexit, while speaking at  a key-note address at a webinar on “Post-Brexit UK’s GSP Scheme and Potential for Pak-UK Trade.”

Pakistan needs to put some smart heads together to come up with a proper plan how to use this wonderful opportunity for benefit of both countries. It must not be allowed to slide by.

Pakistan exports to United Kingdom was US$1.68 Billion during 2019, according to the United Nations COMTRADE database on international trade.

It states: Pakistan exported Cotton for value of $41. 86M, articles of leather, animal gut, harness, travel good for value of $41.12M, optical, photo, technical, medical apparatus for value of $37. 06M, edible fruits, nuts, peel of citrus fruit, melons for value of $22.75M and other ingredients. Our oranges and mangoes are the best and can rival any other from the globe.

At this point in time, owing to COVID 19, reduced production and related issues, Pakistan should seize this opportunity with both hands. As it is, U.K is the fifth largest market for Pakistan’s exports. Imports from U.K are much higher though.U.K exports among other goods like machinery, chemicals, metals and electronics to Pakistan. Essentially this means the goods imported and exported between both nations are not in competition with each other and the trade is therefore inter-industry. This gives both a better and a broader base to expand upon.

The relationship between U.K and Pakistan can be government to government as well as organization to organization. Looking ahead, MrMobinRafiq, a U.K based businessman created the CEC [Commonwealth Entrepreneurs Club (CEC). The purpose of this platform is to encourage and facilitate trade between organizations of different states. MrRafiq is co-founder and chairman of Global Trade Partnership (GTP).

U.K has entered into deals with India, Australia and New Zealand striking the new path it has decided to follow.  Pakistan must offer benefits to U.K for FDI (foreign direct investment). Pakistan must also increase awareness within its business communities that developed nations are becoming extremely conscious of its labor laws. Therefore under paying labor will not work. Sustaining a clean environment is another major concern. Business ethics needs attention. Big time. They want transparency in the chain from production to delivery.

The test for Pakistan’s government will be to select the best not from the party, but from the country to form a proper strategy that takes onboard interests of both nations which will be a win-win situation for both!

To quote Boris Johnson,” “The deal secures on our pledge to protect and boost our economy and provides for continued market access across a broad scope of key service sectors including professional and business services, supporting new and continued investment between businesses.”

*The writer is a lawyer, academic and political analyst. She has authored a book titled ‘A Comparative Analysis of Media & Media Laws in Pakistan.’ She can be contacted at: yasmeenali62@gmail.com and tweets at @yasmeen\_9*