



**Country Report on  
Market Access for**

# United Kingdom

**and the Mercosur's position  
in trade**



**GRUPO DE PAÍSES PRODUCTORES DEL SUR**

GROUP OF PRODUCING COUNTRIES FROM THE SOUTHERN CONE

Updated on  
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## Country report on United Kingdom

### Summary

- It is a country with high GDP per capita, but with a declining or stagnant population. Agricultural activities contribute only 0.8% to the added value.
- Demand projections are moderate and focused on products for human consumption or other uses. Meat, cereals, dairy, and vegetables are the most important food categories.
- On average, it maintains a negative trade balance with the world and MERCOSUR. 74% of the negative balance with MERCOSUR is attributed to agricultural products.
- 95% of imports from MERCOSUR originate on Brazil and Argentina, while nearly 80% of exports go to Brazil.
- MERCOSUR is positioned in 2nd place as the origin of UK's agricultural imports. The main imported products include wine, bakery products, canned meats, and cheeses. However, UK imports are not heavily concentrated either by origin or by product.
- Although in recent years non-tariff measures have decreased, both positive and negative, the latter outweigh the former. Tariffs on MERCOSUR export products do not exceed 8%, and more than half of tariff lines are duty-free or have tariffs below 10%.
- Few products from MERCOSUR have shown export potential. Among MERCOSUR countries, Argentina is most relevant in the UK's imports of each identified product, with a share exceeding 30% in some cases in the total UK's products imports.
- Regarding products facing threats in export competitiveness to the UK, Argentina has the highest number of products where the UK is an important trading partner.



### Population



67.0 Millions

-0.08 % Growth Rate  
Annual  
Population

0.8% Share of World  
Population

0.79 % Growth Rate  
Annual World  
Population



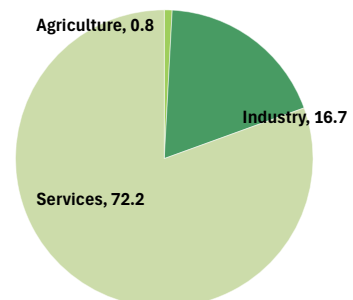
### Economy

	United Kingdom	% of World
GDP (billions of USD 2022*)	3,089.1	3.06

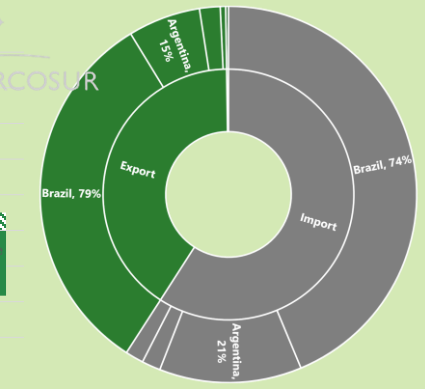
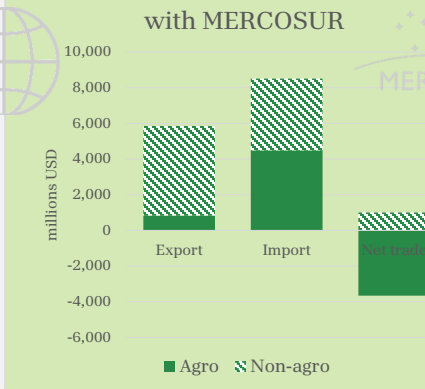
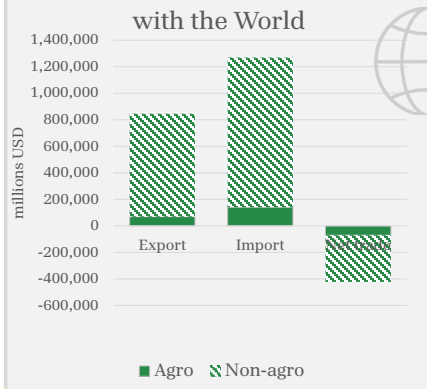
	United Kingdom	World Avg.
GDP per capita (USD 2022*)	46,125.3	12,687.7
GDP growth (annual %)	4.3	3.1
Trade (% of GDP)**	69.5	62.6

Value Added by Sectors (% of 2022 GDP)



Notes: \* in current USD for the year 2022 - latest available; \*\* Both exports and imports are measured as a proportion of GDP. Source: World Bank - WDI 2024

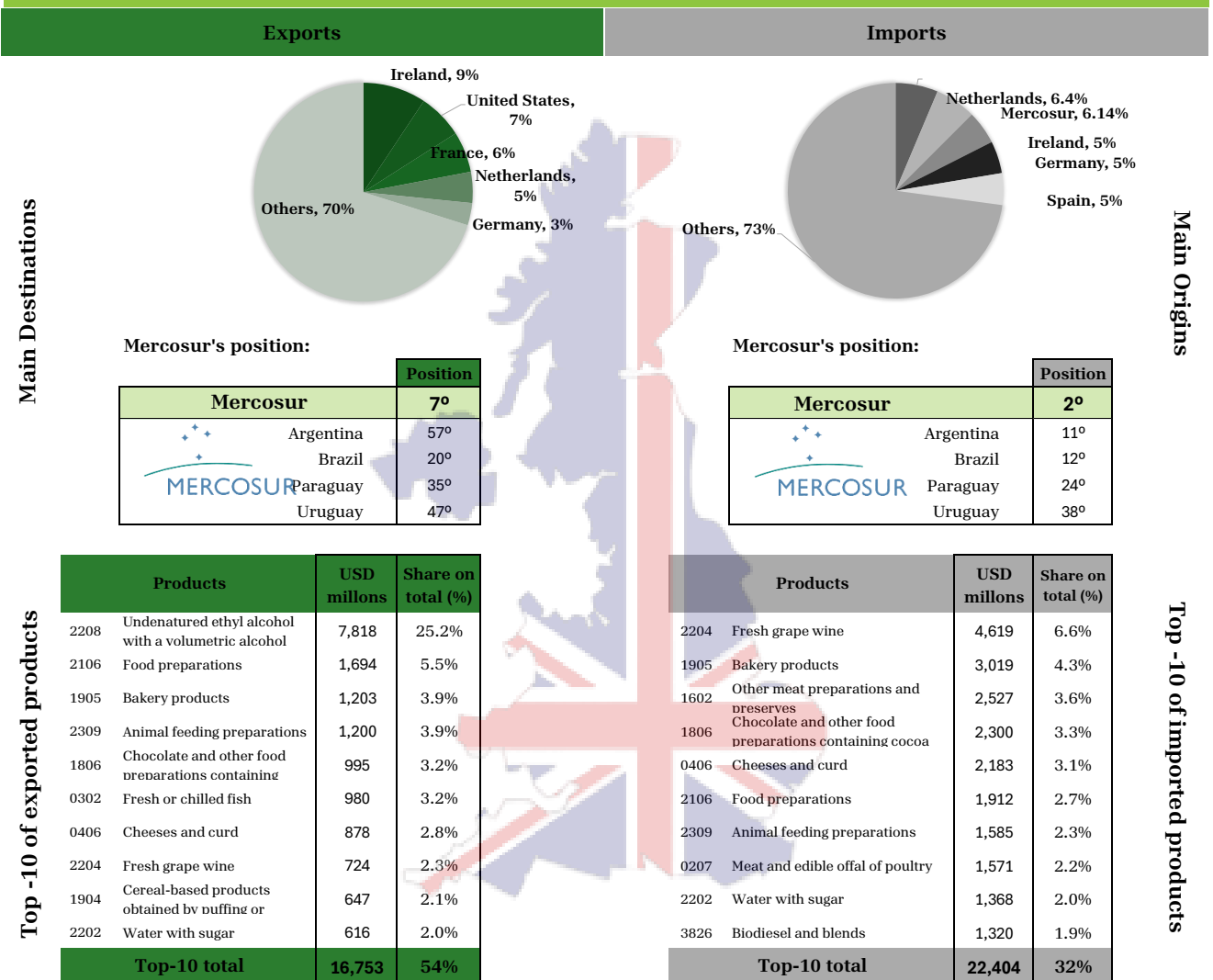
## Average Trade 2018-2022 of United Kingdom



United Kingdom has a **trade deficit with the world**, with 10% of it attributed to the agricultural sector. It also maintains a **negative balance with MERCOSUR**, around 2.7 billion dollars on average from 2018 to 2022, primarily due to agricultural trade. 79% of the deficit with MERCOSUR is in the agricultural sector.

74% of imports (both Agro and Non-Agro) to the United Kingdom from MERCOSUR originate from Brazil, and 21% from Argentina. In exports, Brazil is the main destination (79%), followed by Argentina at 15%.

## Agricultural average trade 2018-2022 of United Kingdom



Source: Compiled by GPPS based on Comtrade data (Avg 2018-22).

The importance of the UK's trade with MERCOSUR lies primarily in imports. MERCOSUR is the second significant supplier for imports and the 7th relevant destination for exports from the country. While Brazil is the main supplier of imports in overall trade with MERCOSUR, Argentina and Brazil are equally significant in agri-food trade.

Importantly, general imports are not highly concentrated. In contrast, exports exhibit a higher degree of concentration in products.

# Tariff measures

WTO Tariff Profile

## Tariffs and imports in total

Total		Total	Ag	Non-Ag	WTO member since	1995
Simple average final bound		5.1	11.5	4.1	Binding coverage:	Total 100
MFN applied						Non-ag 100
Simple average	2022	3.8	9.4	2.9	Ag: Tariff quotas (in %)	13.4
Trade weighted average	2022	3.2	12.0	2.2	Ag: Special safeguards (in %)	30.2
Imports in billion US\$	2021	666.9	67.0	599.9		

## Tariffs and imports in duty ranges

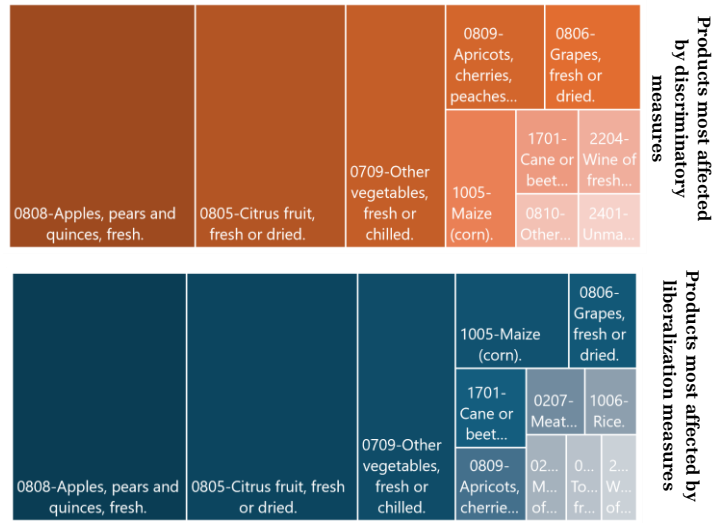
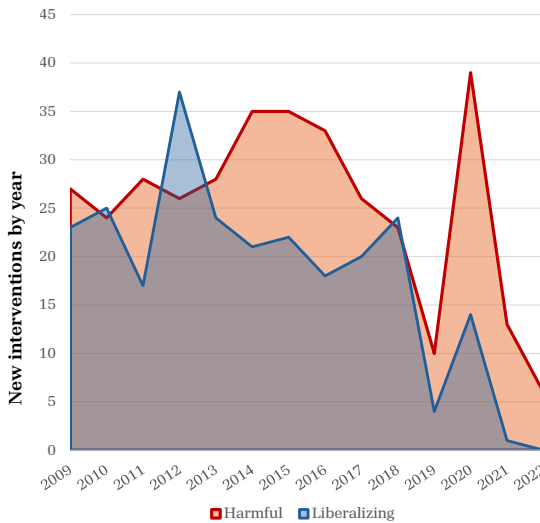
Frequency distribution		Duty-free	0 <= 5	5 <= 10	10 <= 15	15 <= 25	25 <= 50	50 <= 100	> 100	NAV en %
Agricultural products										
Final bound		30.4	11.5	18.2	13.2	12.6	8.6	2.8	0.5	33.2
NMF applied	2022	38.7	10.9	19	10.4	10.9	7.1	2.3	0.2	26.2
Imports	2021	17.9	14.4	36.4	9.5	9.6	9.1	2.9	0	32.2

## Tariffs and imports by product groups

Product groups	Final bound duties				MFN applied duties			Imports	
	AVG	Duty-free in %	Max	Binding in %	AVG	Duty-free in %	Max	Share in %	Duty-free in %
Animal products	16.3	28.4	122	100	16.0	28.2	122	1.1	11
Dairy products	39.1	0	176	100	35.2	0.2	146	0.4	0
Fruit, vegetables, plants	10.8	19.7	142	100	7.3	31.4	59	2.3	15.8
Coffee, tea	5.9	27.1	14	100	5.3	31.3	14	0.8	17.9
Cereals & preparations	14.2	5.6	82	100	10.8	18.1	81	1.6	7.2
Oilseeds, fats & oils	4.9	48.1	88	100	5.3	55.7	68	0.7	60.4
Sugars and confectionery	21.2	0	90	100	20.2	11.8	89	0.6	2.1
Beverages & tobacco	19.1	18.4	130	100	16.5	23	130	1.6	17.1
Cotton	0	100	0	100	0	100	0	0	100
Other agricultural products	4.1	65.2	331	100	2.3	76.3	58	0.8	40.2
Fish & fish products	12.0	5.4	26	100	10.8	8.8	25	0.6	12.8

Source: WTO Tariff profile of United Kingdom. URL: [https://www.wto.org/spanish/res\\_s/publications\\_s/world\\_tariff\\_profiles23\\_s.htm](https://www.wto.org/spanish/res_s/publications_s/world_tariff_profiles23_s.htm)

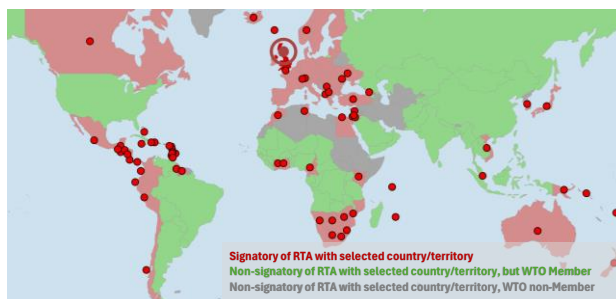
# Non-tariff measures



Notes: Both graphs show the number of interventions. Source: Global Trade Alert. URL: <http://www.globaltradealert.org/>

# Trade agreements

## Participation in RTAs on goods and services



Source: Extracted from WTO - <https://www.wto.org/>

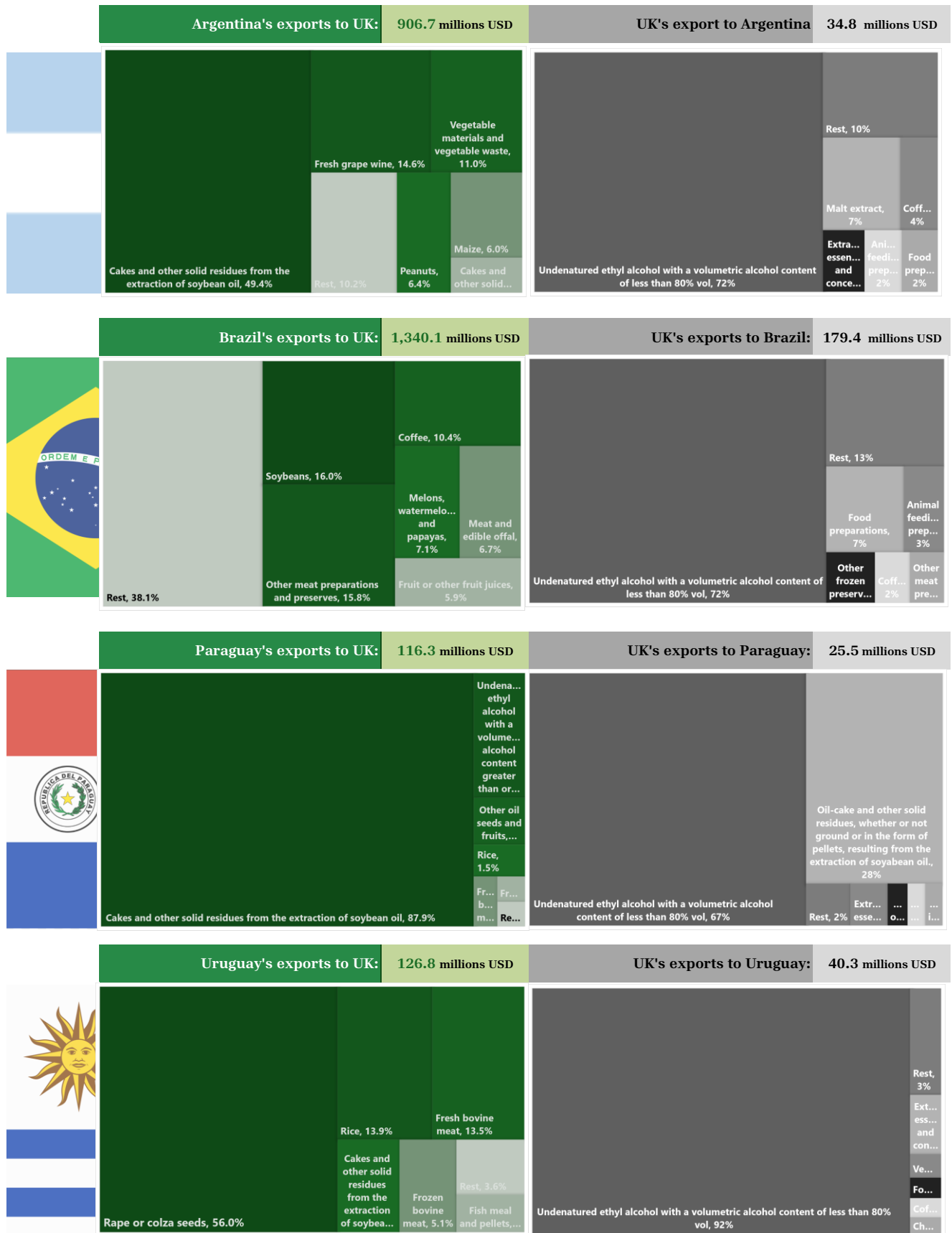
## Agreements in force

1. UE-UK
2. UK-Albania
3. UK-Australia
4. UK-Cameroun
5. UK-Canada
6. UK-CARIFORUM States
7. UK- Central America
8. UK-Chile
9. UK-Colombia, Ecuador y Perú
10. UK- Côte d'Ivoire
11. UK-Eastern and Southern Africa States
12. UK-Egypt
13. UK-Faeroe Islands
14. UK-Georgia
15. UK-Ghana
16. UK- Iceland, Liechtenstein and Norway
17. UK-Israel
18. UK-Japan
19. UK-Kenya
20. UK- Korea, Rep. of
21. UK-Kosovo
22. UK-Lebanon
23. UK- Mexico
24. UK- Moldova, Rep. of
25. UK-Morocco
26. UK-New Zealand
27. UK-North Macedonia
28. UK-Pacific States
29. UK-Palestine
30. UK-SACU y Mozambique
31. UK-Serbia
32. UK-Singapore
33. UK-Switzerland - Liechtenstein
34. UK-Tunisia
35. UK-Türkiye
36. UK- Ukraine
37. UK- Viet nam

## United Kingdom's bilateral agricultural trade with MERCOSUR countries

This section presents the agricultural trade of the United Kingdom with each of the MERCOSUR countries. It provides insights into the main agricultural products traded between the UK and individual MERCOSUR countries, along with the average bilateral trade amounts (in current USD) from 2018 to 2022.

It highlights the heterogeneity of exports and imports among MERCOSUR countries; aggregating them hide the relative importance of trade with Paraguay and Uruguay, placing greater emphasis on Brazil and Argentina due to their significantly larger trade volumes.



# Products from MERCOSUR countries with Potential-Threat in United Kingdom

Methodology

The **Potential (or Threat)** of exporting a product is analyzed for each of the MERCOSUR countries, considering products classified at the four-digit Harmonized System (HS04) level.

The analysis is conducted based on the calculation and interpretation of the Revealed Comparative Advantage (RCA) index following Lima & Álvarez (2008).

A product is considered to have export *Potential* if the exporting MERCOSUR country has a Revealed Comparative Advantage (RCA index  $\geq 1$ ) in its exports, and the importing country also has a Revealed Comparative Advantage (RCA index  $\geq 1$ ) in its imports of the same product. If the importer does not have a Revealed Comparative Advantage (RCA  $< 1$ ) in imports, then the exporting country faces a *Threat* in its exports, indicating export risks.

The data source used is WITS, and all values are averaged over 2018-2022.

## Analysis by MERCOSUR country

Product	Have:	Argentine exports to		UK relevance on Argentine exports	UK imports from World (USD millions)	Argentine relevance on UK's total imports (in %)
		UK (USD millions)	World (USD millions)			
1202 Peanuts	Potential	58	1,406	4%	161	36.2%
2204 Fresh grape wine		132	1,088	12%	4,619	2.9%
2304 Cakes and other solid residues from the extraction of soybe		448	12,347	4%	929	48.2%
2306 Cakes and other solid residues from the extraction of		22	375	6%	277	8.1%
2308 Vegetable materials and vegetable waste		100	594	17%	146	68.2%
1006 Rice	Threat	6	207	3%	562	1.1%
1518 Prepared animal or vegetable fats and oils		1	56	2%	316	0.3%
2002 Prepared or preserved tomatoes		0	7	2%	504	0.0%
2008 Fruits or other edible parts of plants and other fruits		6	177	3%	632	0.9%
2201 Unsweetened water		0	0	2%	169	0.0%
2205 Vermouth and other fresh grape wines prepared with		0	7	3%	28	0.7%
2207 Undenatured ethyl alcohol with a volumetric alcohol		4	30	12%	625	0.6%
0101 Horses		3	32	10%	544	0.6%
0204 Ovine or caprine meat		1	27	4%	421	0.3%
0704 Cabbages		0	0	2%	285	0.0%
0709 Other vegetables		1	9	15%	1,317	0.1%
0710 Frozen vegetables		0	3	6%	443	0.0%
0714 Cassava roots		1	3	31%	145	0.5%
0804 Dates, figs, avocados		0	3	6%	702	0.0%
0809 Apricots		3	54	5%	273	1.0%
0810 Other fruits or other edible parts of plants		4	113	4%	1,056	0.4%
0901 Coffee		0	1	4%	1,092	0.0%
0902 Tea		2	106	2%	353	0.6%
0904 Pepper of the genus Piper		0	0	3%	119	0.0%
0909 Anise seeds	0	6	6%	43	0.8%	

Only five products have been identified with potential to increased exports from Argentina to the United Kingdom. In three of these, Argentina already holds a significant share as a supplier in the total imports of the relevant UK market. The increase in share would lead to greater dependency on Argentina in these imports, thereby reducing the potential for growth in these products. The other two, HS codes 2204 and 2306, have a higher likelihood of export increase.

Among the products posing threats to Argentina in terms of decreased exports to the United Kingdom, the ones of greater importance are mainly cassava roots, frozen vegetables, horses, and ethyl alcohol. None of the products facing threats represent more than 1.1% of the total imported by the United Kingdom for each product.


Product	Have:	Brazilian exports to		UK relevance on Brazilian exports	UK imports from World (USD millions)	Brazil's relevance on UK's total imports (in %)
		UK (USD millions)	World (USD millions)			
1202 Peanuts	Potential	11	308	4%	161	6.9%
1602 Other meat preparations and preserves		211	1,297	16%	2,527	8.4%
1204 Linseed	Threat	0	0	9%	18	0.02%



Only two products were found with potential to expand the market to the United Kingdom: peanuts and other meat preparations. Of these, HS code 1602 has a greater share in Brazil's exports to UK. Considering that Brazil's share in the total imports of each relevant product is not very high, the potential for growth becomes more likely.

Only one product poses a threat of decreased exports for Brazil: Linseed. Its low share in the total imports of the United Kingdom confers a higher risk of decline. However, it is also observed that Brazil's exports of this product are quite low.

Product	Have:	Paraguayan exports to	UK relevance on	UK imports from World	Paraguay's relevance on
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Product		Have:	UK (USD millions)	World (USD millions)	Paraguayan exports	from world (USD millions)	UK's total imports (in %)	
	1207	Other oil seeds and fruits	Potential	3	135	2%	71	3.6%
	2207	Undenatured ethyl alcohol with a volumetric alcohol content greater than or equal to 80% vol		3	98	3%	625	0.4%
	2304	Cakes and other solid residues from the extraction of soybe		102	1,037	10%	929	11.0%
	1518	Prepared animal or vegetable fats and oils	Threat	0	1	3%	316	0.0%
	2103	Preparations for sauces and prepared sauces		0	0	6%	1,017	0.0%
	0301	Live fish		0	0	4%	24	0.0%
	0910	Ginger		0	0	6%	142	0.0%

Three products have the potential to increase exports from Paraguay to the United Kingdom, two of them come from the soybean complex.

On the other hand, all the products identified as having a threat of decreased exports from Paraguay have a low share in the United Kingdom. However, Paraguay's exports of these products to the rest of the world are also not very high in value.

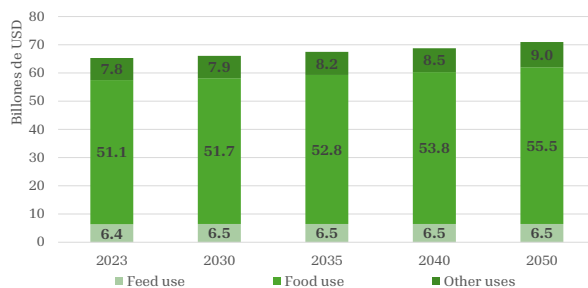
Product	Have:	Uruguayan exports to UK (USD millions)	World (USD millions)	UK relevance on Uruguayan exports	UK imports from World (USD millions)	Uruguay's relevance on UK's total imports (in %)
1006	Potential	18	357	5%	562	3.1%
1205		43	77	55%	338	12.6%
2301		2	57	3%	211	0.9%
2304		3	54	5%	929	0.3%
0201		17	602	3%	1,081	1.6%
1108	Threat	0	0	9%	177	0.0%
1518		0	2	8%	316	0.1%
2204		1	25	2%	4,619	0.0%
0101		0	1	3%	544	0.0%
0713		0	0	6%	239	0.0%
0810		0	7	2%	1,056	0.0%
0901		0	4	5%	1,092	0.0%

All products with export potential for Uruguay have a relatively low share in the United Kingdom's imports, which increases the likelihood of achieving this growth. However, for rapeseed, the United Kingdom accounts for more than 50% of Uruguay's export destinations, so a strategy to increase this share poses greater risks for Uruguay.

The United Kingdom has a significant share in the exports of all products threatened with a decrease, especially starch and prepared animal or vegetable fats and oils. The risks of decline are increased by the low importance or share of Uruguay in the total imports of each specific market.

## Food demand projections from United Kingdom

Demand projections by 2050, by kind of use



Changes in Food Demand

2050 vs 2023

+9%

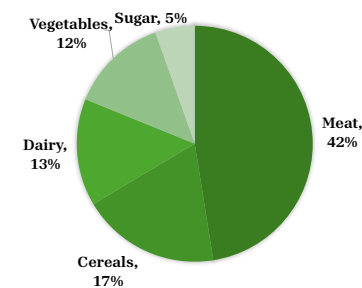
2040 vs 2023

+5%

2030 vs 2023

+1%

Share of Food Categories in Average Projections 2030-2050



Source: FAO- Food and agriculture projections to 2050- Country Data Market

Increases in food demand in the United Kingdom are projected for human consumption and other uses, but not for animal feed. However, the growth rate for these uses is relatively stable and low. Between 2023 and 2030, the increase would only be 1%, and 9% by 2050. This is not very promising for the current export basket of Argentina and Paraguay, as it is mostly composed of animal feed products from the soybean complex.

Meat, cereals, dairy products, and vegetables are the most important products in demand projections for 2030-2050. Therefore, the demand outlook is better for the current export basket of Brazil and Uruguay.

## Conclusions

The United Kingdom is a country with a market composed of 67 million people, representing 0.8% of the world's population. It has a negative population growth rate. Its GDP per capita is 3.6 times higher than the global average, with GDP growth at an annual rate of 4.3%, 38% above the global average growth rate. The highest value-added activity is in services, and while trade is significant, it represents 69% of the GDP.

The trade balance with MERCOSUR is negative, primarily due to the trade of agricultural products. Nearly 95% of imports from MERCOSUR originate from Brazil and Argentina, and almost 80% of exports to the bloc are destined to Brazil. The United Kingdom's imports are quite diversified, meaning they are not highly concentrated by origin. The main trading partner in imports is the Netherlands, accounting for 6.4%, followed by MERCOSUR as a bloc, accounting for 6.1% of the total imports by the United Kingdom.

Imports are also not highly concentrated by product. The top ten imported products only account for 32% of the total UK's imports. Most of the top imported products are for human consumption, but there are also products for animal feed and biodiesel. The most important product is wine, which accounts for 6.6% of the total UK's imports.

Exports from MERCOSUR countries to the United Kingdom are quite concentrated by product, except for Brazil, which has a relatively less concentrated export basket compared to the other MERCOSUR's countries. The main products exported by MERCOSUR are soybeans, edible meat and offal, soybean oil cake and residues, wines, peanuts, and rice, among others. There is considerable heterogeneity among MERCOSUR countries regarding exported products, but Paraguay is the most concentrated, with soybean oil cake and residues representing almost 90% of its exports to the UK, on average from 2018-2022.

The projected demand growth in the United Kingdom is moderate. It is primarily expected to increase for human consumption and other uses, but not for animal consumption. The most important categories in the projections are meat, cereals, and dairy products. Import tariffs for agricultural products are, on average, three times higher than for non-agricultural goods. Almost 60% of tariff lines are duty-free or have tariffs below 10%, and among agricultural products, dairy products have the highest tariffs, while tariffs on products mostly exported by MERCOSUR do not exceed 8%.

Products with export potential are considered more likely to increase if they still have a relatively low share in the United Kingdom's imports. When the share is high, the strategy of increasing dependency on the UK seems unlikely, but it should not be the strategy of MERCOSUR countries to increase exports to a destination that already represents a high share, as it poses a higher risk.

From this analysis, only a few products have been identified with export potential. Brazil is the country in the bloc with the fewest products with potential: only peanuts and meat preparations and preserves (Argentina also has potential for an increase in peanuts). The list of products with competitiveness threats is not extensive either. In fact, Argentina is the country with the most products at risk of continued exports.

A potential economic complementarity agreement between the two regions could favor certain trade flows and increase and diversify MERCOSUR's export matrix to the United Kingdom, which is already quite high for all except Brazil.