



European car prices face rise but Japanese go down

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Some European cars will rise in price under the Government's proposed post-Brexit tariffs structures.

The new tariff regime would mark a shift in favour of products from non-EU countries.

Even so, they mean 82% of imports from the EU would be tariff-free, down from 100% now, while 92% percent from the rest of the world would pay no border duty, up from 56%.

Under the plan, the UK car industry will receive some protection, with some imported cars attracting tariffs while component car parts from the EU would be tariff free to assist UK assembly plants.

Mike Hawes, SMMT Chief Executive said, "Today's announcement does not resolve the devastating effect a 'no deal' Brexit would have on the automotive industry.

"No policy on tariffs can come close to compensating for the disruption, cost and job losses that would result from 'no deal'.

"It's staggering that we are in this position with only days until we are due to leave. Every day 'no deal' remains a possibility is another day companies pay the price in expensive contingency measure. 'No deal' must be taken off the table immediately and permanently."

Car manufacturers will be pleased that parts brought in from the EU will be tariff-free.

While European cars might rise 10%, those from Japan will become slightly cheaper, and models from South Korea will depend on whether or not the Government can roll over an



existing trade deal.

Pauline Bastidon, FTA Head of Global & European Policy said, “The crucial information released by Government today on tariffs applying to imports into the UK on day one in the event of a no deal Brexit is, frankly, long overdue.

“This is critical information for importers, who have been kept in the dark for too long in spite of repeated requests for transparency.

“The list of origin countries that will benefit from preferential access is also revealing in itself. With only 13 working days left until the UK’s scheduled departure from the EU, it is deeply concerning to get confirmation at this late stage that only a minority of EU trade agreements will have been rolled over.

“This not only represents an additional cost for importers, but is bad news for exporters too as it will limit access to preferential trade deals too. MPs should bear that in mind when asked to consider a no deal exit later today”.