

GOVERNMENT

Brexit trade deal approaches final approval hurdles

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Boris Johnson, prime minister of the United Kingdom, will oversee the U.K.'s separation from Europe on Jan. 1. Brexit is expected to deal a blow to luxury brands. Image credit: 10 Downing Street

By LUXURY DAILY NEWS SERVICE

Ambassadors from European Union member states have approved a post-Brexit trade deal with the United Kingdom, which is set to become law on Jan. 1.

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The initial agreement on the trade deal, which impacts a wide range of topics including travel and financial services, was announced on Dec. 24. It comes as the U.K. remains the target of travel bans resulting from a COVID-19 variant.

Trading rules

Although the U.K. officially left the E.U. earlier this year ([see story](#)), negotiations continued as trade agreements needed to be formalized. U.K. Parliament is expected to vote on the new deal on Dec. 30.

While more details clarifications will be needed regarding financial services and data rules, the new agreement requires that U.K. citizens have a visa if they are staying in the E.U. more than 90 days in a 180-day period.

If the two parties had not agreed to a new deal, World Trade Organization rules would have gone into effect on Jan. 1, meaning the U.K. would have faced tariffs and quotas when selling goods to its largest trade partner.

According to a 2019 report from Walpole, the leading export markets for British luxury goods are the European Union, North America and China. Since 2013, the British luxury industry has grown 9.6 percent per year on average, compared to the U.K.'s overall economic growth of 4 percent ([see story](#)).

Since last week, the U.K. has found itself on a growing list of travel bans, as a variant of COVID-19 is likely contributing to rising infections in London and elsewhere in southeastern England. Countries have placed varying timeframes on the restrictions, while others are extending quarantine periods or requiring negative COVID-19 tests for British travelers ([see story](#)).

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