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The EU-UK Trade Cooperation Agreement and its Features and Implications

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English Abstract

The EU and the UK dramatically agreed to Trade Cooperation Agreement (TCA) a week before the end of the Brexit implementation and tentatively put it into effect on January 1, 2021. With TCA, the EU and the UK have avoided the worst-case scenario of Brexit's adverse economic impact, the situation of No Deal. However, the country of origin regulations and customs clearance procedures will be applied after Brexit, which will inevitably have a negative impact on the trade of goods between the two countries. Additionally, the passporting rights for financial services, which are important to the British economy, will be terminated after Brexit. On the other hand, the country of origin regulation of TCA shows its intention to induce the production of electric vehicles and batteries in the region. Therefore, it is necessary for the EU and the UK to prepare for the possibility of changes in the global value chain. ♣

※ Translator's note: This is a summarized unofficial translation of the original paper which was written in Korean. All references should be made to the original paper.

※ This article is written based on the author's personal opinions and does not reflect the views of the Sejong Institute.