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China/US trade spat offers origin opportunities for UK

It has been widely reported that the US and China are imposing significantly increased tariffs on each other's goods, resulting in significant cost for business as well as huge losses in share values for companies embroiled in these measures.



Many of these companies have operations in other countries and are able to consider the possibility of moving some production away from China and the US so that manufactured goods will no longer have an offending origin.

This might sound straightforward but where there is a need to maintain manufacturing activity in China or the US, simply routing the goods via a third country won't change the origin.

However, there are certainly opportunities for a degree of processing to be undertaken in third countries, which in some cases may be sufficient to confer the origin of a third country, such that exports to the US or to China can then be undertaken without generating a liability to punitive tariffs.

The UK has strong trading relationships with both China and the US, so is well placed to optimise the opportunity presented by the ongoing dispute between them.

Further processing in the UK of goods which started their lives in China or the US could not only minimise the duty cost on their final import into China or the US but can also be done without incurring customs duty in the UK.

If your business is affected by the US-China trade dispute, and you would like to explore ways of avoiding the additional customs duties, please get in touch.

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