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#### Royal Institute of British Architects response to Department for International Trade consultation: The UK Global Tariff

The Royal Institute of British Architects (RIBA) is a global professional membership body that serves its members and society in order to deliver better buildings and places, stronger communities and a sustainable environment. We provide the standards, training, support and recognition that put our members – in the UK and overseas – at the peak of their profession. With government and our partners, we work to improve the design quality of public buildings, new homes and new communities.

The RIBA welcomes this consultation. Tariffs on construction products have an impact on the wider construction and engineering sector by increasing the cost of development. The UK Global Tariff offers an opportunity to support the wider sector and cut costs to business through tariff reductions on construction products.

For the architecture sector, the proposed changes below are particularly relevant:

- Removing tariffs on goods with low tariffs currently (less than 2.5%)
- Rounding tariffs down to the nearest standardised band
- Removing tariffs where the UK has zero or limited domestic production

Whilst the above principles are generally welcomed, the Government must acknowledge and address the potential for disruption arising from delays at ports if goods must be physically stopped and checked.

The UK Global Tariff is a useful interim measure until free trade agreements are finalised. The RIBA promotes the use of free trade agreements as they offer an opportunity to cut costs to business through tariff reductions on construction products.

For further information or if you have any questions on this response, please contact Phoebe MacDonald, Senior Policy & Public Affairs Advisor: <u>Phoebe.MacDonald@riba.org</u> 0207 307 3271

Royal Institute of British Architects

66 Portland Place London, SW1B 0AD

Tel: +44 207 307 3724 E: public.affairs@riba.org

## Were you aware of Most Favoured Nation (MFN) applied tariffs prior to hearing about this consultation?

Yes

Which of the following sectors are important to your organisation when considering the current applied tariffs (the EU's Common External Tariff)?

- Manufacturing metal products; and wood, paper and printing
- Construction services
- Business services architecture
- Broadcasting, creative and digital sectors creative industry

# Based on your selection(s) in the previous question, please explain why the current UK applied tariffs (the EU's Common External Tariff) are important to these sectors.

Tariffs on construction products have an impact on the wider construction and engineering sector by increasing the cost of development.

60 per cent of construction products are currently sourced from EU countries. Introducing tariffs to these items, when historically tariffs have not applied, increases the cost and bureaucracy for UK architecture practices.

Introducing the UK Global Tariff is especially important in the event that a free trade agreement with the European Union has not concluded before 31 December 2020.

The UK Global Tariff offers an opportunity to support the wider sector and cut costs to business through tariff reductions on construction products.

#### Should the Government remove tariffs on goods of 2.5% or less?

Agree

### Should the Government round tariffs down to the nearest standardised band?

Agree

Should the Government remove tariffs on key inputs to production and manufacturing?

Agree

Should the Government remove tariffs where the UK has zero or limited domestic production?

Agree

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### If you would like to provide any supplementary information in addition to your response, please do so below.

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For the architecture sector, the proposed changes below are particularly relevant:

### Removing tariffs on goods with low tariffs currently (less than 2.5%)

Most architecture practices are small or medium sized business, with 90 per cent of architecture practices employing fewer than 10 people. For small businesses low tariffs cause unnecessary bureaucracy.

Removing low tariffs is especially welcomed in the architecture sector as currently many construction materials are subject to tariffs less than 2.5%.

#### • Rounding tariffs down to the nearest standardised band

The current tariff system relies on businesses understanding how tariff rates differ for certain products; and for smaller businesses this can be burdensome and create confusion.

Creating standardised tariff bands allow businesses to adequately prepare and plan the cost of importing goods into the UK.

The RIBA acknowledges that this is not simplification in the truest sense, as the classification principles cannot be simplified as they are administered by the World Customs Organisation. However, introducing standardised tariff bands allows for consistency and when trying to understand the intricacies of a new tariff system, this is welcomed.

#### Removing tariffs where the UK has zero or limited domestic production

Removing the tariffs on goods which the UK has limited domestic production is important to ensure that the UK is able to import energy efficient construction products, for example, tripled glazed windows, which are currently not available in the UK. The UK has legislated to reach net-zero by 2050, to achieve this energy efficient construction products that are not produced in the UK should be imported with zero tariffs.

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