FORUM: Economic and Social Council (ECOSOC)

TOPIC: The question of international trade in the post-Brexit era

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POSITION: Deputy President

PERSONAL INTRODUCTION

Dear delegates,

My name is Eleanna Roumpi and I am honoured to be your deputy president for the Economic and Social Council at this year's AMLMUN. I am currently in 11th grade at Anavryta Model High school and I have been actively involved in MUN conferences as a delegate in various committees. These experiences have been incredibly meaningful to me, helping me grow both personally and intellectually and creating a strong interest in diplomacy, global issues, and international collaboration over the past few years.

The experiences from MUN have taught me many valuable lessons like the importance of teamwork, thoughtful discussion, and respectful debate. As a chair, I aspire to create an environment where every delegate feels welcome and safe to express his opinion, contributing to the formation of a fruitful debate and finally, a solution.

If you have any questions ahead of the conference, don't hesitate to reach out at eleannaroumpi@gmail.com . I'm excited to see your thoughts and ideas!!

Best regards,

Eleanna Roumpi

TOPIC INTRODUCTION

Brexit refers to the United Kingdom (UK) leaving the European Union (EU), after a 2016 referendum in which the majority voted to leave. The UK officially left the EU on January 31, 2020, entering a transition period that lasted until December 31, 2020. During those months, not much changed in practice, as the UK still followed EU rules and both sides worked out the details of their future relationship.

As a former EU member, the UK had access to the single market and customs union, which allowed goods, services, and people to move freely across borders without customs checks or tariffs. However, after the transition period, the UK left those systems, and in December 2020, the two sides signed the EU–UK Trade and Cooperation Agreement (TCA),

which came into effect on January 1, 2021. The deal allows tariff-free trade in goods, as long as they meet certain conditions like rules of origin. However, it also introduced new non-tariff barriers, such as customs paperwork, regulatory checks, and delays at borders that didn't exist before.

Trade in services, which make up about 80% of the UK economy, was also impacted, especially financial services. From January 2021, UK-based financial firms lost their passporting rights and could no longer operate freely in the EU without country-specific approvals or relocation. Trying to strengthen its position globally, the UK began forming new trade partnerships. It signed a free trade agreement with Japan in 2020 (active from January 2021) and another with Australia in 2021 (active from May 2023). In July 2023, the UK also signed to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a major Asia-Pacific trade bloc, with full entry expected in 2024. These developments mark the UK's attempt to reposition itself as an independent trading power in the post-Brexit era.

DEFINITION OF KEY TERMS

International trade

"International trade is the exchange of capital, goods, and services across international borders or territories because there is a need or want of goods or services." 1

BREXIT

(a portmanteau of *Britain* and *Exit*). "Brexit was the withdrawal of the United Kingdom from the European Union officially completed on January 31, 2020."²

¹ "International trade." Wikipedia, 4 June 2025, en.wikipedia.org/wiki/International trade.

² "Brexit." Wikipedia, 28 May 2025, en.wikipedia.org/wiki/Brexit.

^{3 &}quot;European Single Market." Wikipedia, 20 May 2025, en.wikipedia.org/wiki/European Single Market.

^{4&}quot;Customs Union – Definition, Purpose, Advantages and Disadvantages." *Corporate Finance Institute*, CFI Team, <u>www.corporatefinanceinstitute.com/resources/economics/customs-union</u>.

^{5&}quot;European Union Customs Union." *Wikipedia*, 15 June 2025, en.wikipedia.org/wiki/European_Union_Customs_Union.

^{6&}quot;What Are Tariffs?" *Investopedia*, 17 Jan. 2008, www.investopedia.com/articles/economics/08/tariff-trade-barrier-basics.asp. 7"Non-tariff barriers." *Institute for Government*, www.instituteforgovernment.org.uk/article/explainer/non-tariff-barriers.

^{8&}quot;Trade Agreement." Wikipedia, 10 June 2025, en.wikipedia.org/wiki/Trade_agreement.

^{9&}quot;Non-tariff barriers to trade." Wikipedia, 24 June 2025, en.wikipedia.org/wiki/Non-tariff barriers to trade.

European Single Market

"European Single Market is the single market comprising mainly the 27 member states of the European Union."³

Customs Union

"A customs union is an agreement between two or more neighboring countries to remove trade barriers, reduce or abolish customs duty, and eliminate quotas."

European Union Customs Union

"The European Union Customs Union (EUCU), is a customs union which consists of all the member states of the European Union, Monaco, and the British Overseas Territory of Akrotiri and Dhekelia." ⁵

Tariffs

"Tariffs are a type of trade barrier that makes imported products more expensive than domestic ones.... Tariffs typically come in the form of taxes or duties levied on importers."

Non-Tariff Barriers

"A non-tariff barrier is any measure, other than a customs tariff, that acts as a barrier to international trade."

Trade Agreement

"A trade agreement is a negotiation between two or more countries regarding the terms of trade between them—tariffs, quotas, restrictions on imports and exports, and provisions, such as trade facilitation, intellectual property rights, and investment protection." 8

Regulatory Divergence

"The process by which two or more countries develop different laws or standards over time. After Brexit, this term refers to the increasing legal and regulatory differences between the United Kingdom and the European Union." 9

BACKGROUND INFORMATION

Origins of UK-EU Economic Integration

The origins of the economic integration between the United Kingdom and the European Union are essential in order to understand the challenges and shifts in international trade in the

post-Brexit era. After initially staying out of early European integration efforts, the UK joined the European Economic Community in 1973, seeking access to a larger market and the economic benefits of free trade. Over the next four decades, the UK became deeply embedded in the EU single market and customs union, allowing for the free movement of goods, services, capital, and labor. This integration facilitated strong trade links with EU countries and shaped the UK's trade policies. However, the UK's departure from the EU in 2020 marked a major shift, ending automatic access to the single market and requiring new trade agreements, customs procedures, and regulatory frameworks. As a result, post-Brexit international trade reflects both the legacy of past integration and the complexities of re-establishing trade relations on new terms.

Brexit Referendum and Political Decision to Leave

The Brexit referendum in 2016 was a moment when millions of people across the UK made a choice that would reshape the country's future. Many who voted to leave the EU were motivated by a desire for greater national control over laws, borders, and immigration. But that decision also came with big trade-offs. Leaving the EU meant stepping away from the single market and customs union , systems that had made it easy and cost-effective to trade with European neighbors for decades. Suddenly, British businesses had to face new rules, paperwork, and delays at borders. The political decision to leave brought a sense of independence for some, but also uncertainty for industries that relied on smooth trade. In the post-Brexit world, the UK is now working to build new trade relationships while adapting to the realities of doing business outside its largest and closest trading partner.

Redefining Trade: EU-UK Trade and Cooperation Agreement (TCA)

After Brexit, the UK and the EU needed a new way to work together, especially when it came to trade. That's where the EU–UK Trade and Cooperation Agreement (TCA), signed in late 2020, comes in. It's basically the new set of rules that lets Britain and Europe trade goods and services without extra taxes or limits so that things keep running smoothly. But it's not as simple as before. Since the UK left the single market, there are now customs checks and new regulations that make trading a bit trickier and sometimes more expensive for businesses on both sides. The TCA isn't just about trade either; it also covers security, energy, and sharing data, showing that even though the UK left politically, they still want to stay close partners. For the world, the deal shows how countries can try to be more independent but still work together, striking a careful balance that will shape international trade in the years ahead.

Economic and Trade Challenges Post-Brexit

Since Brexit, the UK has been facing some pretty tough economic and trade challenges. Concerning trading with Europe, businesses now have to deal with extra customs checks, more paperwork, and sometimes delays at the border. This has been a real headache for industries like fishing, farming, and manufacturing that rely on quick shipments to Europe. On top of that, new rules mean companies have to keep up with changing regulations or risk losing customers.

There's also been a lot of confusion and worry about things like the Northern Ireland Protocol and future trade deals. So, even though Brexit was about taking back control, the UK now has to carefully juggle being independent while still keeping good trade ties with the EU and the rest of the world, which isn't always easy.

UK's Post-Brexit Trade Strategy

The government's goal was to strike fresh deals with countries beyond Europe and boost global trade, hoping this would balance the changes from Brexit. They've signed agreements with places like Japan, Australia, and Canada, aiming to make British products more competitive overseas. At the same time, the UK wants to support its homegrown businesses to adapt and grow in this new environment. However the balancing act is not easy: the UK has to protect its interests while making sure it doesn't lose the easy access it once had to its biggest trading partner, the EU. So far, the strategy shows ambition and flexibility, but only time will tell how successful it will be in a world that's changing fast.

Evolving EU Relations: The Windsor Framework

The Windsor Framework, agreed in 2023, is the latest step in how the UK and EU are working to smooth things over after Brexit, especially when it comes to Northern Ireland. It's an update designed to fix some of the tricky problems that popped up with trade and customs checks between Northern Ireland and the rest of the UK. The goal was to make life easier for businesses and people there, so goods can move more freely without so much red tape, while still respecting the agreements that keep peace in the region. The Framework shows that even after leaving the EU, the UK and Europe still want to find practical solutions together, proving that cooperation and compromise remain key in this new chapter of their relationship.

MAJOR COUNTRIES AND ORGANISATIONS INVOLVED

United Kingdom (UK)

After exiting the EU, the UK becomes an independent trading nation. It now trades with the EU under the Trade and Cooperation Agreement, which brings added customs checks. These checks can lead to delays at borders, increased paperwork, and higher costs for businesses. While the agreement avoids tariffs and quotas, it does not eliminate non-tariff barriers such as regulatory divergence.

European Union (EU)

The EU had to adjust to the loss of the UK, one of its largest economies. Trade with the UK continues, but with increased bureaucracy and border checks. The EU remains a global trading power, focusing on deepening internal integration and maintaining strong trade ties through its network of free trade agreements.

Japan

Japan responded to Brexit by signing a bilateral trade agreement with the UK, maintaining access for Japanese businesses. While being a key investor for the UK, Japan

continues to support open trade with both the UK and EU, while promoting stability in global trade networks.

Ireland

Ireland is uniquely affected due to its land border with Northern Ireland. The Northern Ireland Protocol prevents a hard border on the island, but has caused tension within the UK. Ireland has also seen economic gains post-Brexit, attracting businesses relocating from the UK and increasing exports to the EU and US.

Australia

Australia saw Brexit as a chance to strengthen its direct ties with the UK. The two countries signed a free trade agreement that removes many tariffs and makes it easier for professionals and young people to move between them.

Canada

Canada and the UK have worked to preserve strong trade links after Brexit due to their shared values, especially in trade, climate, and democracy. They turned their EU-based deal into a temporary UK-Canada agreement, while working toward a new, tailored FTA.

New Zealand

New Zealand welcomed the opportunity to modernize its trade relationship with the UK. Their new FTA boosts exports like wine, dairy, and meat, while supporting digital trade and sustainability. New Zealand also values the UK's return to the Pacific region through wider partnerships like the CPTPP.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

The UK joined CPTPP in 2023, aiming to deepen its ties with fast-growing economies beyond Europe. The partnership reflects a shift toward more diverse, global trade networks in a post-Brexit world. The UK's decision to join marks a clear pivot away from its European trade past, toward a new identity rooted in the Indo-Pacific.

World Trade Organization (WTO)

The WTO remains the global referee for international trade, setting rules and resolving disputes. After Brexit, both the UK and EU had to re-establish their positions within the WTO framework. The organization plays a vital role in maintaining stability, especially as global trade becomes more complex.

TIMELINE OF EVENTS

DATE	EVENT
January 1, 1973	UK joins the European Economic Community (EEC): The UK becomes part of the precursor to the EU, integrating into a common market.

February 7, 1992	Maastricht Treaty signed: This treaty formally creates the European Union (EU), deepening economic and political integration. The UK remains outside the eurozone.
June 23, 2016	Brexit Referendum: The UK voted to leave the EU, with 52% voting in favor of leaving.
January 31, 2020	Official Exit from the EU: The UK formally left the EU and entered a transition period.
December 24, 2020	EU-UK Trade and Cooperation Agreement (TCA) signed: Trade deal outlining future relations and tariff-free trade under conditions.
January 1, 2021	Start of UK–Japan Trade Agreement and End of Transition Period / TCA takes effect: The UK's first major post-Brexit trade deal comes into force. New trade rules begin; the UK exits the single market and customs union
2021-2022	Drop in UK-EU Trade: Sharp fall in exports/imports due to border checks, paperwork, and new rules.
October 2021	UK-New Zealand Free Trade Agreement concluded: A deal eliminating tariffs on most goods and enhancing digital and service trade.
February 27, 2023	Windsor Framework announced: Amends the Northern Ireland Protocol to ease trade between Great Britain and Northern Ireland while protecting the EU single market.
May 31, 2023	UK-Australia Trade Deal enters into force: A new agreement focused on goods, services,

	and worker mobility.
July 16, 2023	UK signs to join CPTPP: The UK signs an agreement to join a major Asia-Pacific trade group.
October 2023	UK ratifies CPTPP membership: The UK becomes the first European country to join the 11-nation trade bloc
January 1, 2024	UK-CPTPP agreement expected to come into force: CPTPP membership to boost UK trade with Asia-Pacific countries.
March 2024	UK announces Indo-Pacific trade strategy: Aims to deepen trade and investment with countries like India, South Korea, and ASEAN members
May-June 2025	Rising pressure for regulatory divergence or alignment: UK businesses lobby for simplified EU trade, while others push for diverging to pursue global deals.

RELEVANT UN TREATIES, CONVENTIONS AND RESOLUTIONS

GATT (1994) – Foundation of global trade; UK trades under WTO rules post-Brexit

After Brexit, the UK could no longer operate under the bloc's trade rules. Instead, it began trading under the World Trade Organization's frameworks, which is based on the 1994 General Agreement on Tariffs and Trade (GATT). This agreement is central to keeping global markets open and reducing trade barriers between nations. Since Brexit, the UK has relied on these WTO principles when dealing with countries where no specific trade agreements are done. While the UK no longer has EU membership advantages, adhering to WTO rules has allowed it to maintain basic access to international markets.

New York Convention (1958) – Facilitates resolution of trade disputes through international arbitration

The 1958 New York Convention has been an important feature in supporting international trade by providing a straightforward way to resolve disputes. Instead of relying on hard and costly court proceedings, parties can choose arbitration to settle down conflicts. Once

an arbitral decision is made, it is recognised and enforceable in numerous countries, creating a more secure environment for cross-border business.

CISG – Global sales law (UK was not a party, but relevant in cross-border contracts)

The Convention on Contracts for the International Sale of Goods (CISG) serves as an international legal framework for sales contracts between nations. Although the UK is not inside, the CISG remains relevant when UK companies trade with partners in countries that have adopted it, as it may still apply to their agreements. This convention promotes clarity in international commercial transactions.

UNGA Resolution 70/1 (SDGs) – Promotes sustainable and equitable trade

The adoption of UNGA Resolution 70/1 marked the launch of the Sustainable Development Goals (SDGs), which aim to shape trade into a driver of fairness and sustainability, not just profit. It promotes economic growth via trade while ensuring environmental protection and equal opportunities globally.

UNCTAD Bridgetown Covenant (2021) – Encourages fairer trade systems in the modern economy

Adopted in 2021, the UNCTAD Bridgetown Covenant focuses on building fairer, more balanced global trade systems that fit the current era. It emphasises enabling developing nations to participate more equitably in the global marketplace. The covenant calls for inclusive economic growth, encourages progress in digital transformation, and incorporates climate-conscious trade policies, emphasising the need for global cooperation to address inequality and foster sustainable trading practices.

UNGA Second Committee (Economic and Financial) – Resolution: A/RES/75/207

In the Brexit context, this resolution is particularly relevant as the UK redefines its trade policy outside the EU there. It underscores the importance of aligning national trade strategies with global standards and maintaining a commitment to fair, inclusive trade. The resolution promotes active international engagement and ensures that new trade agreements contribute to common, sustainable economic growth.

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

UK-EU Trade and Cooperation Agreement (TCA)

One of the first attempts to address the issue of international trade after Brexit occurred was the TCA, signed in December 2020. It aimed to prevent a no-deal scenario by ensuring tariff-free and quota-free trade in goods that meet rules of origin requirements. This agreement introduced significant non-tariff barriers, such as customs checks and increased bureaucracy. Overall, the TCA provided a foundation for continued trade but has required continuous adjustments and further negotiations to manage the complex realities of post-Brexit commerce.

Northern Ireland Protocol

Another attempt to manage post-Brexit trade was the Northern Ireland Protocol, that was designed in order to avoid a hard border on the island of Ireland by keeping Northern Ireland aligned with certain EU rules. It was helpful because it protected the peace process and allowed goods to flow freely between Northern Ireland and the Republic of Ireland. However, it created a trade border in the Irish Sea, meaning goods moving from Great Britain to Northern Ireland faced new checks and paperwork.

UK Free Trade Agreements (FTAs)

The UK Free Trade Agreements were an effort to improve the trade situation after Brexit. It reduced tariffs, Increased Access to Global Markets, Lower Prices for Consumers and Enhanced Competitiveness for UK Businesses. Nevertheless, this solution wasn't perfect because it lowered the barriers to trade between countries, but also led to labor abuses, environmental damage and job losses.

Global Britain Strategy

The Global Britain Strategy was the UK's plan to expand trade and influence beyond Europe after Brexit. It focused on building new partnerships, for example Australia, Japan, and joining the CPTPP trade bloc. While it showed the UK's ambition to act globally and led to some trade deals, the economic impact has been limited so far. Many deals offer only small gains and don't replace the easy access the UK once had to the EU market.

Membership Application to CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership)

As part of its Global Britain strategy, the UK applied to join the CPTPP to strengthen trade ties with fast-growing economies in the Asia-Pacific region. The move aimed to show the UK's global ambition and reduce reliance on European trade. While it offers long-term opportunities and access to new markets, the actual economic benefits are expected to be modest, since the UK already has deals with many CPTPP members.

POSSIBLE SOLUTIONS

Deepening UK-EU Trade Relations

A possible solution to face the new trade barriers between UK and EU is to negotiate deeper trade agreements that reduce them. This could include aligning product standards,

simplifying border procedures, and expanding cooperation in key sectors like energy and services.

Strengthening Trade Infrastructure and Border Systems

Another solution in order to accelerate moving goods between the UK and EU is to invest in better infrastructure at ports and borders. For instance that would be faster customs technology, more trained staff, and clearer procedures. This would reduce delays, help goods move more smoothly, and support businesses that rely on international trade. Making border systems more efficient is key to keeping trade flowing in the post-Brexit era.

Expanding Commonwealth and Global South Trade Links

Forming fair and balanced trade agreements with Commonwealth countries and the Global South, the UK can diversify its trade partners, support economic growth in developing regions, and create new markets for British goods and services. This approach not only boosts the UK economy but also builds stronger international partnerships based on mutual benefit.

Joining or Creating Multilateral Trade Blocs

In the post-Brexit era, the UK can boost its global trade by joining or forming multilateral trade blocs, which means groups of countries that trade freely with each other. For example, the UK has already joined the CPTPP, which connects it to fast-growing economies in Asia and the Pacific. These partnerships reduce trade barriers, open new markets, and increase the UK's global influence in setting fair trade rules.

Supporting Domestic Exporters and SMEs

A good way to support small UK businesses that find it harder to trade with other countries due to new rules and extra costs, is by offering clear guidance, financial help, and practical tools like training and export advice. The government can also organize trade events and connect these businesses with international partners. By making it easier for small companies to sell abroad, the UK can grow its economy and give more businesses the chance to succeed globally.

Harmonizing Regulatory Standards

Different rules and standards between the UK and its trading partners can make trade slower, more expensive, and more complicated. One solution is to work together with other countries, especially the EU and key global partners, to align product and safety standards where possible. This doesn't mean giving up control, but finding common ground so that goods

don't need to be checked or changed at every border. Harmonizing regulations makes trade smoother, helps businesses save time and money, and builds trust between trading nations.

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