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UK-US ECONOMIC PROSPERITY DEAL

One-Year Progress Review

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Introduction

The UK-US Economic Prosperity Deal (EPD), signed on 8 May 2025 and described by its signatories as a landmark economic agreement, was conceived as a framework to stabilise and deepen the transatlantic economic relationship following the introduction of the United States' 'Liberation Day' tariffs in April 2025. Covering tariffs, non-tariff barriers, digital trade and economic security, the EPD was not intended to be a comprehensive free trade agreement, but rather a platform for phased delivery and future negotiation in areas critical to the US-UK economic relationship.

BritishAmerican Business (BAB) has tracked the evolution of the EPD since its inception. In August 2025, we published our initial assessment of the deal shortly after signature, analysing each commitment and its likely implications for business. In December 2025, we followed this with a six-month progress review, which found that while some tangible outcomes had been delivered, much of the agreement remained aspirational and unevenly implemented. This paper builds on that work, offering a one-year review of progress as of May 2026 and assessing what the EPD has delivered in practice, where it has stalled, and what is now required to restore momentum.

Summary of Previous Analyses

Initial Assessment (August 2025)

At the time of signing, BAB cautiously welcomed the EPD as a relatively constructive outcome in a challenging global trade environment, with the UK seeking a measured response to a new approach taken by the US Administration that would reflect and build on the close economic ties and balanced trade relationship between the two economies. While recognising that the introduction of a 10% baseline tariff left UK exporters worse off than under pre-April MFN conditions, we noted that the UK had secured a comparatively favourable position relative to other US partners. The deal delivered immediate, concrete outcomes in a small number of sensitive sectors, notably automotive and aerospace, and set out a pathway toward resolving long standing issues in steel, aluminium and pharmaceuticals.

However, our initial assessment also stressed that the EPD was primarily a framework rather than a finished agreement. Many commitments lacked specificity, timelines or implementation mechanisms, particularly in relation to non tariff barriers, regulatory cooperation and digital trade. BAB therefore emphasised the importance of sustained political engagement, structured dialogue with industry, and early progress on implementation to prevent the agreement from losing momentum.

Six Months Review (December 2025)

Six months on, BAB's review found a mixed picture. On the positive side, the UK and US had moved to implement several tariff-related commitments, including the automotive tariff rate quota, the removal of tariffs on civil aerospace products, and UK-side implementation of agricultural concessions on beef and ethanol. Most significantly, a landmark pharmaceuticals agreement in principle was announced under the EPD framework, delivering tariff certainty and opening the door to deeper regulatory cooperation in a strategically important sector.

At the same time, progress elsewhere was limited. The 10% baseline tariff remained in place, steel and aluminium quotas had not materialised, and there was little evidence of delivery on non-tariff barrier commitments. BAB noted that, while engagement between negotiating teams appeared to be continuing, the absence of visible outcomes risked undermining business confidence. We also flagged growing legal and political uncertainty around the US use of executive tariff authorities, with court challenges pending and the prospect of further unilateral action.

Progress and Engagement on the EPD Since December 2025

It is worth noting that since December 2025, UK-US engagement on the EPD has continued at both political and technical levels. Negotiating teams have remained in dialogue across multiple workstreams, and discussions have not formally paused. However, progress has been uneven, and in many areas developments on the ground have been driven more by changes in the wider US trade policy environment than by delivery under the EPD itself.

One of the most consequential developments has been the U.S. Supreme Court's February 2026 ruling that the International Emergency Economic Powers Act (IEEPA) does not authorise the President to impose tariffs. This decision led to the termination of the 10% "reciprocal" tariffs applied under 'Liberation Day' and the launch of a refund mechanism for duties already paid. While this outcome was welcomed by business, it did not bring greater stability. Instead, it was followed by renewed reliance on alternative trade authorities, including a temporary global surcharge under Section 122 and an expanded use of Section 232 and Section 301 investigations. Even these Section 122 measures have since been subject to legal challenge, reinforcing the broader uncertainty facing businesses as the US continues to rely on temporary or contested trade authorities. At the same time, the EPD continues to be seen as an important anchor and benchmark for the future US-UK trading relationship.

Delivery under the EPD has continued to diverge by sector. The US implemented its commitment to reallocate beef-tariff rate quota volumes to the UK from January 2026, completing one of the clearest success stories under the agreement; the automotive quota has moved into live operation, albeit with ongoing concerns around growth constraints and unresolved reimbursement issues; and the text of the US-UK arrangement on pharmaceutical pricing has been agreed on both sides. By contrast, steel and aluminium remain stalled, and non-tariff barrier commitments have seen little tangible movement. The Technology Prosperity Deal (TPD), signed in September 2025 as a key offshoot of the EPD, has also lost momentum, with most workstreams paused for several months and only limited re-engagement recently reported in the civil nuclear area.

BAB Analysis – One Year On

One year after signature, the EPD presents a complex and uneven picture. There have been genuine achievements: the 'arrangement' on pharmaceuticals stands out as a clear breakthrough, delivering tariff certainty for pharma and medtech and some certainty on pricing and reimbursement, though with the caveat that it is subject to mitigations from future MFN pricing; aerospace has returned to a stable, tariff-free footing, consistent with long standing multilateral commitments; and beef market access has been delivered in full, providing UK exporters with predictable, ring-fenced access to the US market for the first time.

At the same time, other areas underline the limitations of the EPD as currently constituted. The promise of reciprocal tariff reductions beyond sector-specific fixes has not been realised. While the Supreme Court ruling removed IEEPA based tariffs, it has also ushered in a new phase of uncertainty, with businesses now exposed to alternative tariff instruments and investigations that sit outside the EPD framework. Steel and aluminium exemplify this challenge: despite clear commitments, MFN-rate access has not materialised, and recent changes to US treatment of derivative products have eroded the UK's relative position without delivering the certainty originally envisaged.

Section 232 has remained an active and, at times, unpredictable tool in the US trade policy toolkit. Aside from pharmaceuticals and medical technologies, the UK has not yet secured durable or formal exemptions from new or emerging Section 232 measures; however, in several areas, including semiconductors, critical minerals and heavy vehicles, this has so far not translated into the imposition of new tariffs on UK exports. In relative terms, the UK continues to be in a more favourable position than many other trading partners, and in certain

sectors, such as lumber, has benefitted from differentiated or preferential treatment thanks to negotiation outcomes between the UK and the US.

At the same time, the absence of binding exemptions or clearer guardrails means that UK businesses remain exposed to future shifts in US industrial or national security policy. The experience of the past year therefore suggests that, while consultation and dialogue under the EPD may help mitigate immediate impacts and preserve relative positioning, they have not consistently constrained the use of unilateral trade action where core US priorities are engaged.

Non-tariff barriers present a parallel challenge. Commitments on conformity assessment, mutual recognition, international standards, digital trade and trade facilitation were among the most commercially promising elements of the EPD, yet they have also proven the hardest to operationalise. Differences in regulatory approach, interpretations of WTO TBT (Technical Barriers to Trade) disciplines, and the need to preserve regulatory autonomy have slowed progress. BAB believes it is precisely in these areas that incremental, low risk cooperation could deliver meaningful gains for business without reopening sensitive market access debates.

The non-legally binding nature of the EPD has also caused issues, as anticipated in our earlier analyses. Though we expect the EPD to enjoy full support by both governments, the fact that the EPD is a framework means that each new US tariff announcement or investigation raises fundamental questions for UK businesses about whether EPD commitments will hold, what tariff treatment will apply, and how disputes will be resolved.

In practice, the framework nature of the EPD has meant that its delivery has been highly sensitive to shifts in US trade policy, with UK efforts to advance implementation often overtaken by unilateral developments outside the scope of the agreement.

Overall Assessment and BAB Recommendations

Overall, BAB assesses that the EPD has delivered important but uneven results. It has worked best where there has been clear political prioritisation, defined sectoral scope and a shared recognition of mutual benefit, as seen in pharmaceuticals and medical technologies, aerospace, automotive and beef. In other areas, UK engagement has continued, but outcomes have been constrained by wider shifts in US trade policy.

Looking ahead, BAB believes three priorities should guide the next phase of engagement. First, both governments should focus on predictability. For the US in particular, this means moving away from reliance on temporary or emergency trade authorities and seeking more durable, rules-based outcomes that give businesses confidence to invest. For the UK, this means being clear about where and how it seeks to address specific US asks.

Second, non tariff barriers should be elevated as a core delivery track. While challenging, progress on conformity assessments, MRAs, digital trade and trade facilitation offers some of the greatest potential upside for the UK-US relationship and could help offset the cumulative impact of tariffs, enforcement measures and changes to de minimis regimes.

Third, successful precedents should be replicated. The pharmaceuticals agreement demonstrates that early engagement, political focus and clear implementation pathways can turn a framework commitment into a tangible outcome. Applying this approach more systematically, including in sectors exposed to Section 232 risk, would strengthen the credibility of the EPD as a living agreement.

The EPD remains a valuable framework for cooperation, but one year on it has reached an inflection point. Without renewed political impetus and a further focus on delivery, there is a risk that its more ambitious elements remain unfulfilled. With sustained effort, however, it can play a meaningful role in supporting a stable, competitive and forward looking transatlantic economic relationship.

Overall RAG Assessment

This table provides a high level overview of all UK-US Economic Prosperity Deal (EPD) commitments, showing each commitment alongside its current RAG (Red/Amber/Green) status as assessed in the one year review. It is intended as a quick reference summary to sit alongside the full analytical table (below) and narrative.

For reference: **Green** is used only where commitments have been mostly or fully delivered in substance and are operating in practice (e.g. pharmaceuticals, aerospace, beef); **Amber** is used where commitments have been partially delivered, implemented on one side only, delivered with material caveats, or refer to commitments that are too high level to track progress effectively (e.g. automotive quotas, ethanol, procurement, economic security); and **Red** is used where commitments remain largely undelivered, stalled, or have been overtaken by unilateral policy developments (notably on steel and aluminium, Section 232 exposure, and most non tariff barrier commitments).

Commitment	RAG Status
1. Reciprocal tariff reduction	Amber
2. Reduction of beef tariffs	Green
3. Quota for US ethanol	Green
4. Automotive tariffs	Amber
5. Steel and aluminium	Red
6. Pharmaceuticals	Green
7. Other sectors affected by Section 232	Red
8. Aerospace	Green
9. Tariffs imposed by executive authority	Red
10. Cooperation on expanding agricultural trade	Amber

Commitment	RAG Status
11. Conformity assessment bodies	Red
12. Mutual Recognition Agreements (MRAs)	Red
13. International standards	Red
14a. Digital trade provisions - services	Red
14b. Digital trade provisions - customs & procedures	Red
15. Cooperation on economic security	Amber
16. Procurement	Amber
17. Tackling duty evasion	Amber
18. Further opportunities	Amber
19. Other trade-related issues (IP, labour, environment)	Red

Full Analysis

Commitment	Initial Assessment (August 2025)	Six-Months Progress Review (December 2025)	Progress as of May 2026	Recommendations / Next Steps
ADDRESSING TARIFFS				
<p>1. Reciprocal tariff reduction</p> <p>Commitment to negotiate a reciprocal reduction of applied tariff rates in sectors of importance to each country.</p> <p>Any agreement will include UK territories.</p>	<p>The EPD includes a commitment by the UK and US to negotiate reciprocal reductions in applied tariff rates in sectors of importance to each country. At the time of signing, the UK reiterated this objective in its June 20 update, while also setting out its domestic priorities through the Trade Strategy and Industrial Strategy, which identified biosciences, clean energy, advanced manufacturing and other strategic sectors as having exceptional export potential.</p> <p>BAB welcomed the commitment to pursue further tariff reductions, while noting that the EPD itself did not identify specific priority sectors, timelines or negotiating parameters.</p>	<p>By December 2025, there had been no substantive progress on reciprocal tariff reductions beyond the measures announced in June, and no formal sector prioritisation or negotiating timeline had been published. The 10% baseline reciprocal tariff imposed under US executive authority continued to apply to most UK goods, creating persistent uncertainty for exporters and investors. There was no public evidence of active negotiations on wider reciprocal tariff cuts since August. The legality of the baseline IEEPA tariffs was under active challenge in the Supreme Court.</p> <p>BAB reiterated that uncertainty around the 10% tariff risked discouraging investment and long-term planning.</p>	<p>Since December 2025, the context for this commitment has changed significantly due to developments in US domestic law rather than bilateral negotiations.</p> <p>In February 2026, the US Supreme Court ruled that the International Emergency Economic Powers Act (IEEPA) does not authorise the President to impose tariffs, striking down the “reciprocal” tariffs introduced under “Liberation Day”, including the 10% baseline tariff applied to UK goods. The US formally terminated all IEEPA-based tariffs on 24 February 2026, and US Customs and Border Protection launched a refund mechanism (CAPE) in April for duties already paid, with total refunds estimated at over \$160 billion.</p>	<p>In light of the Supreme Court ruling, BAB recommends that:</p> <ul style="list-style-type: none"> • The UK and US re-engage on reciprocal tariff reductions as part of a permanent, negotiated EPD outcome, insulated from shifts in US domestic legal authority. • Both governments publish a clear list of priority sectors, informed by existing UK trade and industrial strategies and US economic security objectives, and engage industry early in shaping negotiating positions. • UK-US discussions should prioritise sectors facing the greatest ongoing tariff exposure or risk of re-imposition under alternative US authorities, including well-established UK export strength.

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	<p>Given the continued application of elevated US tariffs following “Liberation Day”, BAB stressed the importance of maintaining momentum through early clarity on sectoral priorities and structured engagement with business. BAB recommended that both governments publicly outline which sectors they intended to prioritise, consult extensively with industry, and commit to periodic progress reviews. Any future reductions, where agreed, should include appropriate transition arrangements to avoid market disruption.</p>	<p>BAB again called on both governments to set out clear sectoral priorities and consultation mechanisms, and highlighted Scotch Whisky as an example of a sector that could credibly be prioritised for relief, particularly in light of the potential re-instatement of Section 301 tariffs in 2026.</p>	<p>The removal of the IEEPA tariffs has not translated into meaningful progress on reciprocal tariff reductions under the EPD framework. Instead, the US Administration has moved swiftly to explore alternative tariff authorities, including a temporary 10% global surcharge under Section 122 (introduced in late February 2026 and due to expire in July unless extended by Congress) and an expanded set of Section 301 investigations, raising the risk that new tariffs could replace those struck down by the Court.</p> <p>One positive development has been the removal of 10% tariffs from Scotch Whisky. We would like to see this replicated to other sectors of importance.</p>	<ul style="list-style-type: none"> The UK Government should closely monitor the deployment of Section 122 and Section 301 measures and seek explicit assurances that UK goods will not be disproportionately affected as replacement tariffs are considered.
<p>2. Reduction of beef tariffs</p> <p>The UK will remove its 20% tariff on US beef and create a preferential duty-free quota of 13,000 metric tons.</p>	<p>The EPD committed both countries to creating reciprocal, ring-fenced beef market access through 13,000-metric-ton tariff-free quotas. In June, the UK confirmed it would establish a duty-free quota for US beef and remove the 20% tariff that applied within the existing</p>	<p>By December 2025, the UK had implemented its side of the commitment, removing the 20% tariff on US beef and operationalising a 13,000-mt duty-free quota from 30 June 2025.</p>	<p>This commitment has now been fully implemented on both sides.</p>	<p>BAB welcomes the full delivery of this commitment, which stands out as one of the most successfully implemented elements of the EPD.</p>

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<p>The US will allocate 13,000 metric tons of its “Other Countries” tariff rate quota to the UK.</p>	<p>1,000-ton WTO quota shared with Canada, while maintaining UK food safety and SPS standards. The UK indicated it would begin the legislative process but did not specify an entry-into-force date.</p> <p>For the US side, while the commitment to reallocate 13,000 mt of the US “Other Countries” beef TRQ to the UK was clearly set out in the General Terms, it was not reflected in the initial June Executive Order or Federal Register notices, creating early implementation uncertainty.</p> <p>BAB noted that, for UK exporters, a dedicated US quota would represent a significant improvement over the previous system, under which the “Other Countries” quota could be exhausted within days, creating shipment risk. BAB recommended that both governments urgently clarify implementation timelines, quota administration rules, and sequencing to ensure reciprocity and predictability.</p>	<p>The US, however, had not yet implemented the reciprocal quota for UK beef, despite the EPD requirement that this be completed by 1 January 2026.</p> <p>No Federal Register notice or implementing legislation had yet been published at that point, raising concerns for UK exporters planning shipments into 2026. A related positive development was the US decision in November 2025 to exempt all beef products from the 10% reciprocal tariff, removing an additional cost barrier for UK beef exports.</p> <p>BAB urged the US to clarify how it intended to meet the January 2026 deadline and to set out contingency arrangements should implementation slip.</p>	<p>On 31 December 2025, the US Trade Representative published a Federal Register notice formally reallocating 13,000 mt of the US beef tariff-rate quota to the UK, effective 1 January 2026, creating a country-specific quota for UK beef for the first time.</p> <p>US Customs and Border Protection subsequently issued quota guidance confirming administration on a first-come, first-served basis for 2026.</p> <p>In parallel, the UK adjusted its own quota administration in January 2026, moving from a licence on demand to a first come, first served system to ensure reciprocal treatment and reduce administrative burden for exporters.</p> <p>As a result, UK beef exporters entered 2026 with guaranteed, ring-fenced access to the US market, materially reducing commercial risk compared to the pre-EPD position.</p> <p>On 2 March 2026, the first shipment of British beef arrived in the US.</p>	<p>To maximise its impact, BAB recommends that:</p> <ul style="list-style-type: none"> • Both governments monitor early quota utilisation closely to ensure UK exporters are able to meaningfully take advantage of the access secured. • The UK and US provide ongoing transparency on quota fill rates, administration and SPS compliance, particularly for new or smaller exporters entering the US market. • Lessons from the beef quota’s relatively smooth implementation be applied to other quota-based EPD commitments, notably steel and aluminium, where uncertainty remains significantly higher.

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<p>3. Quota for US ethanol</p> <p>The UK will offer a preferential duty-free quota of 1.4bn liters of US ethanol.</p>	<p>Under the EPD, the UK committed to establishing a preferential duty-free quota of 1.4 billion litres for US ethanol, removing the UK’s existing 19% tariff barrier. In its June update, the UK confirmed it would begin the legislative process to operationalise the quota.</p> <p>BAB noted that this commitment would deliver a clear market access gain for US exporters, but raised concerns about the potential impact on the UK bioethanol industry, given that the quota volume is close to the UK’s entire annual demand. UK producers warned that significant tariff-free imports could undermine domestic production and threaten jobs.</p> <p>BAB therefore recommended that the UK Government maintain close dialogue with the domestic industry to assess the impact of the EPD and consider appropriate support or mitigation measures.</p>	<p>By December 2025, the UK had fully implemented this commitment. Legislation took effect on 30 June 2025, operationalising a duty-free quota of 1.4 billion litres for US ethanol. HMRC tariff notices confirmed that 913 million litres were available for the remainder of 2025, with the full annual quota applying from 1 January 2026 onward.</p> <p>There were no reciprocal US obligations under this commitment, and no changes to US ethanol tariffs had been announced. Concerns raised earlier by the UK bioethanol sector remained live, with industry continuing to warn of adverse impacts on domestic production.</p> <p>BAB reiterated that the UK Government should continue to engage closely with domestic producers to understand and respond to the consequences of the quota’s implementation.</p>	<p>Since December 2025, there have been no substantive policy changes affecting this commitment. The 1.4 billion-litre duty-free quota for US ethanol has been fully operational from 1 January 2026, in line with the EPD.</p> <p>There has been no announcement of any modification to quota volumes, administration, or duration, and no indication of additional safeguards for domestic producers beyond existing UK policy frameworks. The commitment remains one-sided in practice, delivering guaranteed access for US exporters but continuing to pose adjustment challenges for the UK bioethanol sector.</p> <p>As of May 2026, this commitment stands as delivered but politically and commercially sensitive, particularly in the context of wider UK discussions on energy security, decarbonisation, and industrial resilience.</p>	<p>BAB’s recommendations largely remain unchanged:</p> <ul style="list-style-type: none"> • The UK Government should continue structured engagement with the domestic bioethanol industry to assess the real-world impact of the quota on production, employment, and investment. • Where evidence of market distortion emerges, the Government should explore domestic support or adjustment measures consistent with UK subsidy control rules.

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			<p>Moreover, there is currently no publicly available data confirming the level of quota utilisation. HMRC does not publish consolidated, real-time information on ethanol TRQ fill rates, limiting the ability of government and industry to assess whether the scale of imports is materially affecting the UK bioethanol sector.</p>	
<p>4. Automotive tariffs</p> <p>The US will create a 10% tariff quota for the first 100,000 UK auto exports. This is a reduction from the previous tariff rate of 27.5%.</p> <p>The US will create an accompanying arrangement for auto parts.</p>	<p>The EPD delivered immediate tariff relief for UK automakers through a 100,000-vehicle annual tariff-rate quota (TRQ), reducing US tariffs from 27.5% to 10%, with implementation confirmed through a June Executive Order and Federal Register notices. The quota was backdated to 8 May 2025 and pro-rated for 2025, before moving to a quarterly system from 2026. Auto parts of UK origin were also moved to a flat 10% tariff without a quota.</p> <p>BAB welcomed the reduction as meaningful short-term relief but noted several structural concerns. While the quota broadly covered recent UK export volumes, it effectively capped future growth in the</p>	<p>By December 2025, the automotive TRQ was fully operational. For 2025, the quota applied to 65,205 vehicles, with the full 100,000-vehicle quota scheduled from 1 January 2026, administered quarterly (25,000 vehicles per quarter with limited carry-forward provisions). UK origin vehicles shipped under the quota also benefited from exemption from additional US steel and aluminium duties.</p> <p>However, no mechanism had been published for reimbursing exporters who paid the full 27.5% tariff on shipments made before the quota formally came into effect.</p>	<p>Since December 2025, this commitment has moved from implementation into live operation, with a comparatively high degree of transparency.</p> <p>The 100,000 vehicle annual quota has been in force since 1 January 2026, administered quarterly by US Customs and Border Protection (CBP). CBP has published detailed Quota Bulletins setting out opening dates, eligible tariff lines, and carry forward rules for Q1 and Q2 2026. Unlike some other EPD quotas, the automotive TRQ benefits from public, frequent CBP reporting, enabling monitoring of utilisation at a quarterly level.</p>	<p>BAB views the automotive commitment as partially successful but structurally limiting:</p> <ul style="list-style-type: none"> • The governments should publish clearer, accessible information on quota utilisation, beyond technical CBP bulletins, to enable strategic planning and policy oversight. • The US should provide formal guidance on reimbursement for vehicles shipped before the quota entered into force; absent this, early exporters remain unfairly disadvantaged.

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	<p>US market and left UK exporters worse off than before April 2025, when tariffs stood at 2.5%. BAB also flagged concerns around administrative complexity, quota management, and the lack of clarity on reimbursements for cars shipped between 8 May and 30 June 2025 that paid the higher tariff.</p> <p>BAB recommended greater clarity on refund mechanisms, monitoring of quota usage to avoid market distortions, and further cooperation on regulatory alignment to reduce duplicative testing costs.</p>	<p>BAB reiterated its call for clarity on refunds and flagged that, while the quota mitigated immediate tariff harm, it continued to constrain UK growth relative to key competitors not subject to volume caps.</p>	<p>However, CBP does not publish a simple, consolidated dashboard showing how much of each quarter's quota has been filled in real time. Utilisation data is available only through quota status reports and ACE filings, making it accessible primarily to customs brokers and directly affected firms rather than policymakers or the public.</p> <p>The issue of reimbursement for pre-June 2025 shipments remains unresolved, with no CBP or Treasury guidance issued despite repeated industry calls. This continues to be a point of friction for exporters.</p>	<ul style="list-style-type: none"> Looking ahead, BAB continues to support transitioning away from volume-based caps, either through quota expansion or a move to a flat tariff rate without ceiling effects, to avoid discouraging future UK investment and export growth.
<p>5. Steel and aluminum</p> <p>The US will create a quota at most favored nation rates for UK steel and aluminum exports (including derivatives).</p> <p>This is contingent upon the UK meeting US supply chain requirements.</p>	<p>The EPD included an intention for the US to establish MFN tariff-rate quotas for UK steel and aluminium, subject to UK compliance with US supply-chain security requirements, including origin and ownership transparency. This was framed as a pathway toward the eventual removal of Section 232 tariffs on UK exports.</p>	<p>By December 2025, no MFN quota for UK steel or aluminium had been established, and UK exports continued to face 25% Section 232 tariffs. The US had not issued any Federal Register notice or CBP guidance setting out quota volumes, eligibility criteria or timelines.</p>	<p>As of May 2026, this commitment remains largely undelivered, despite significant changes to the broader US tariff environment.</p> <p>The US has still not established the MFN tariff-rate quota envisaged in the EPD, and UK steel and aluminium exports continue to face 25% Section 232 tariffs, subject to compliance with existing product-content rules.</p>	<p>BAB considers steel and aluminium to be the most stalled and least predictable tariff commitment under the EPD.</p>

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	<p>At the time, the UK had been exempted from the June 2025 increase of global steel and aluminium tariffs to 50%, leaving UK exports subject to the earlier 25% Section 232 tariffs, which BAB recognised as a relatively better position than many competitors. However, the June Executive Order did not establish the promised MFN quota, instead authorising the US Secretary of Commerce to create a tariff-rate quota “at a future time”, once the US deemed UK compliance satisfactory.</p> <p>BAB welcomed the direction of travel but warned that the absence of a timeline, clarity on compliance benchmarks, or published quota design risked delaying investment and undermining confidence. BAB recommended the establishment of a joint UK-US working group to resolve supply-chain security concerns and provide clarity on rules of origin and quota implementation.</p>	<p>While the UK’s continued exemption from the 50% global tariff increase remained positive, the US retained the authority to raise UK tariffs should it judge UK supply-chain controls insufficient. Despite expectations that progress might be announced during President Trump’s September State Visit, no developments materialised.</p> <p>BAB reiterated that ongoing uncertainty around compliance requirements and quota timing was delaying investment decisions across the UK steel and aluminium sectors and called again for a published roadmap toward implementation.</p>	<p>The conditional language in the June 2025 Executive Order remains the operative framework, with no further guidance issued on what constitutes sufficient UK supply-chain compliance.</p> <p>In March 2026, the UK published a new Steel Strategy, backed by up to £2.5 billion in public investment and strengthened trade defence measures aimed at addressing global overcapacity and unfair trade practices. BAB welcomed the strategy as a logical step, noting that closer alignment with the US on steel policy could create space for renewed discussions on UK-US tariffs and coordinated responses to dumping. While the strategy strengthens the UK’s case that it is addressing US supply-chain security concerns, it has not yet been matched by progress on the US commitment to deliver MFN-rate access for UK steel under the EPD.</p> <p>Moreover, recent US policy changes on steel and aluminium derivatives have altered the UK’s relative position.</p>	<p>To restore confidence and credibility, BAB recommends that:</p> <ul style="list-style-type: none"> • The US and UK publish a clear timeline and compliance checklist for establishing the MFN quota, including explicit expectations on “melted and poured” rules, ownership transparency and derivative treatment. • The US clarify how recent changes to derivative tariffs interact with the EPD commitment, and whether UK products will receive any differentiated treatment going forward. • Both governments prioritise steel and aluminium in EPD discussions, given the sector’s strategic importance to economic security, defence-related supply chains and net-zero infrastructure.

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			<p>In early April 2026, the US adjusted the application of Section 232 tariffs on steel and aluminium derivative products. Though the UK retains a slightly better position than other US steel suppliers, the advantage depends on steel origin, classification and product type.</p>	
<p>6. Pharmaceuticals</p> <p>Intention to negotiate preferential outcomes on pharmaceuticals.</p> <p>The intention is contingent on UK compliance with supply chain requirements.</p> <p>The UK also commits to improving the overall environment for US pharmaceutical companies operating in the UK.</p>	<p>At the time of the EPD’s conclusion, pharmaceuticals were identified as a high-risk, high-priority sector, given the launch of a US Section 232 investigation into pharmaceutical imports and public suggestions from President Trump that tariffs of up to 200% could be imposed.</p> <p>While the EPD set out an intention to negotiate preferential outcomes for the UK, it did not deliver an immediate exemption, and any progress was explicitly linked to UK compliance with supply-chain security requirements and broader changes to the UK pricing and reimbursement environment.</p>	<p>In December 2025, this commitment delivered a major breakthrough, with the announcement of a landmark UK-US pharmaceuticals agreement under the EPD framework. The deal secured 0% tariffs on UK pharmaceutical exports to the US for at least three years, making the UK the only country to achieve such an outcome, and extended preferential treatment to UK medical technology exports.</p>	<p>In April 2026, the UK and US agreed the full text of the pharmaceutical partnership, confirming that UK pharmaceutical exports to the US, worth at least £5 billion annually, will enter the US tariff-free for at least three years. The UK was explicitly identified as the first country to secure such treatment.</p> <p>The text formalised the commitments announced in December 2025 and provided additional detail in several areas. The arrangement set out interim GDP spending targets for new medicines through 2036 and a timetable for the design and launch of a successor scheme to VPAG.</p>	<p>This is one of the clearest delivery successes of the EPD to date. However, credibility now hinges on follow-through. BAB therefore recommends that:</p> <ul style="list-style-type: none"> • Both governments publish and maintain a clear implementation roadmap for regulatory cooperation (MHRA–FDA), including timelines for joint trials, data sharing and mutual recognition pilots. • The UK continue structured engagement with industry to ensure that pricing and reimbursement reforms translate into earlier launches and sustained investment, rather than short-term compliance.

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	<p>BAB warned that prolonged uncertainty risked accelerating disinvestment from the UK life sciences sector, which had already been under strain due to pricing pressures and slow uptake of innovative medicines.</p> <p>BAB therefore recommended that securing a UK exemption from any future Section 232 measures be treated as an urgent priority, alongside accelerated regulatory cooperation and structured agency-level collaboration (MHRA-FDA, NIHR-NIH, NHS-HHS).</p>	<p>In return, the UK committed to a package of domestic reforms, including a 25% uplift in NHS spending on innovative medicines, changes to NICE cost-effectiveness thresholds, and adjustments to the VPAG rebate framework. The deal also created a framework for deeper regulatory cooperation between MHRA and FDA, though detailed implementation timelines remained outstanding.</p> <p>BAB publicly welcomed the agreement, describing member reaction as “cautiously positive” and emphasising that, while the deal marked an important start, its ultimate success would depend on whether it was sufficient to restore long-term investment confidence in the UK.</p>	<p>It also established a US-UK Pharmaceutical Supply Chains Partnership to strengthen resilience, address shortages, and reduce reliance on non-market economies for key starting materials.</p> <p>Regulatory cooperation has also strengthened. In April 2026, MHRA and FDA announced deeper collaboration on medical devices and innovative technologies, including work toward mutual recognition mechanisms to reduce duplication and accelerate patient access, building on the pharmaceuticals partnership.</p> <p>BAB welcomes the agreement as the product of years of advocacy and recognises the political difficulty of healthcare reform in a publicly funded system. It remains to be seen whether the new framework will be sufficient to reverse disinvestment trends, restore the UK’s competitiveness as a launch market, and improve patient access to innovative medicines.</p>	<ul style="list-style-type: none"> • The US provide clarity on how the UK will be treated under any future MFN drug pricing or trade enforcement initiatives, to avoid re-introducing uncertainty by other means. • The pharmaceuticals framework be used as a model for other sensitive sectors under the EPD, demonstrating that negotiated, rules-based outcomes can replace blunt tariff tools.

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<p>7. Other sectors that may be impacted by s232 tariffs</p> <p>Intend to negotiate preferential outcome on other sectors that may be subject to section 232 measures or other tariff measures.</p>	<p>At the time of the EPD’s conclusion, the US had initiated or signalled Section 232 investigations across a broad range of sectors, including pharmaceuticals, semiconductors, commercial aircraft, critical minerals, timber, and medium- and heavy-duty vehicles. BAB noted that, unlike steel and aluminium, these investigations were prospective rather than legacy issues, creating significant forward-looking uncertainty for transatlantic supply chains.</p> <p>BAB welcomed the inclusion of a consultation commitment but cautioned that, absent binding disciplines or exemptions, the provision offered procedural reassurance rather than substantive protection. BAB recommended early engagement and sector-specific dialogue to prevent UK firms from being caught by future tariffs after having already adjusted to the EPD framework.</p>	<p>By December 2025, several risks under this commitment had begun to crystallise. Most notably, the US imposed new Section 232 tariffs on medium- and heavy-duty trucks, truck parts and buses in October 2025, with duties of up to 25% applied globally. No UK-specific exemption was granted, marking a clear case where the EPD consultation commitment did not prevent new trade barriers.</p> <p>Elsewhere, Section 232 investigations into commercial aircraft, semiconductors, and critical minerals remained ongoing, with outcomes expected in 2026. BAB noted that, while dialogue channels existed, there was little public evidence that consultation had translated into concrete risk mitigation for UK exporters.</p>	<p>In January 2026, the US concluded its Section 232 investigation into semiconductors, imposing a 25% tariff on certain semiconductor imports and derivative products, alongside a negotiation window aimed at securing supply-chain agreements with trusted partners. While some countries have secured partial mitigations through investment commitments, no UK-specific carve-out has yet been announced, leaving future exposure dependent on the outcome of ongoing negotiations.</p> <p>At the same time, the US launched the implementation phase of its Section 232 action on critical minerals, again prioritising negotiation over immediate blanket tariffs but explicitly reserving the right to impose duties or quotas if agreements are not reached in 2026.</p> <p>The medium- and heavy-duty vehicle tariffs, imposed in late 2025, remain in force, with no indication that the UK will</p>	<p>As seen with the pharma tariffs, early engagement, sustained advocacy and political prioritisation can translate consultation into concrete results. However, developments in other sectors highlight that consultation alone does not guarantee restraint, particularly where investigations progress rapidly or are driven by wider US industrial policy objectives. In light of this, BAB recommends that:</p> <ul style="list-style-type: none"> • The UK and US build on the pharmaceuticals precedent by developing clearer consultation frameworks for other sectors under active or prospective Section 232 scrutiny, with defined stages for dialogue and escalation. • For ongoing investigations such as semiconductors, critical minerals and aerospace, the UK pursue early, structured engagement seeking country-specific outcomes, rather than relying on post-investigation mitigation.

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			<p>be exempted despite its close defence and industrial ties to the US.</p> <p>Overall, while some sector-specific dialogue has occurred, the past year demonstrates that consultation has not equated to restraint, and that Section 232 remains an actively used instrument of US trade policy.</p>	
<p>8. Aerospace</p> <p>The US will remove tariffs on UK civil aircraft, engines and related parts covered by the WTO Agreement on Trade in Civil Aircraft.</p>	<p>Aerospace was identified from the outset as a strategically important and highly integrated sector, with the UK and US deeply embedded in each other's civil aircraft supply chains. In April 2025, the US had imposed a 10% tariff on UK aerospace products, creating immediate concern for UK exporters.</p> <p>BAB strongly welcomed the inclusion of aerospace in the EPD, noting that the sector is already governed by the 1979 WTO Agreement on Trade in Civil Aircraft, which provides for zero-for-zero tariffs.</p>	<p>This commitment was fully implemented by June 2025, following the signing of Executive Order 14309. All UK civil aircraft products covered by the WTO Agreement on Trade in Civil Aircraft - including aircraft, engines, components and simulators - became fully exempt from Section 232, reciprocal and other emergency tariffs, restoring 0% tariff treatment.</p>	<p>As of May 2026, this commitment remains fully delivered and unchanged, standing out as one of the most stable outcomes under the EPD. Aerospace products of UK origin continue to enter the US tariff-free, insulated from later shifts in US trade policy, including the April 2026 restructuring of Section 232 tariffs on metals and derivatives.</p>	<p>BAB recommends that both governments maintain explicit protection for aerospace under the WTO Agreement on Trade in Civil Aircraft, ensuring it remains insulated from future emergency tariff actions.</p> <p>This commitment should also be used as a template for other highly integrated sectors, showing that national security objectives and tariff-free trade between close allies can coexist.</p>

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	<p>BAB viewed reinstating that framework as both economically and legally coherent, and recommended swift implementation to restore predictability and protect high-value jobs.</p>			
<p>9. Tariffs imposed by Executive Authority</p> <p>US will consider the UK’s request to lower tariffs on UK goods imposed by US executive authority as well as those subject to Congressional approval.</p>	<p>At the time of the EPD’s agreement, the United States had imposed a 10% baseline tariff on most UK goods under the International Emergency Economic Powers Act (IEEPA) as part of its “reciprocal” tariff strategy. While this marked a significant increase from pre-Liberation Day MFN tariff rates of typically 0–2.5%, the UK was not placed at a material advantage relative to the EU or other close partners, all of whom faced broadly similar treatment.</p>	<p>By December 2025, there had been no substantive progress in negotiations to reduce or remove the IEEPA-imposed 10% tariffs. As a result, UK exporters continued to face higher costs than under pre-Liberation Day conditions, when most goods entered the US at MFN rates of 0–2.5%.</p>	<p>In February 2026, the US Supreme Court ruled that IEEPA does not authorise the President to impose tariffs, striking down the “reciprocal” and “Liberation Day” tariffs imposed under that statute. All IEEPA-based tariffs were formally terminated on 24 February 2026, and a refund process for duties already paid was launched in April.</p> <p>While this ruling eliminated a major source of executive-authority risk for UK exporters, it did not mark a retreat from executive-led trade action more broadly. Instead, the US administration rapidly pivoted to alternative authorities, including:</p> <ul style="list-style-type: none"> • a temporary 10% global tariff under Section 122, introduced in late February 2026 and set to expire in July unless extended by Congress; and 	<p>The continued reliance on other executive tariffs highlights the need for a more structured approach. As such, BAB recommends that future EPD discussions focus on durable, legislated outcomes rather than reliance on emergency or temporary powers that generate uncertainty.</p>

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			<ul style="list-style-type: none"> expanded reliance on Section 232 and Section 301 investigations to pursue similar policy objectives through different statutory routes. 	

ADDRESSING NON-TARIFF BARRIERS

<p>10. Cooperation on expanding agricultural trade</p> <p>Commitments to work towards enhancing market access for agricultural products; agreed to respect respective food standards; and cooperate on export.</p>	<p>At the time of the EPD’s conclusion, the UK and US committed to cooperate to strengthen bilateral agricultural trade, while explicitly affirming that imported agricultural products must meet the importing country’s sanitary and phytosanitary (SPS) standards and other agreed requirements.</p> <p>BAB noted that this language provided reassurance that the EPD would not reopen contentious debates around UK food safety, animal welfare, or SPS regulation.</p>	<p>By December 2025, there had been no material change in market-access conditions attributable to this commitment.</p>	<p>As of May 2026, there have been no Federal Register notices, UK statutory instruments, or agency guidance documents indicating new export-verification programmes, streamlined certification processes, or pilot schemes linked explicitly to this commitment.</p> <p>The limited progress under this commitment also needs to be viewed against the backdrop of the UK’s renewed engagement with the EU on agri-food trade and regulatory cooperation. Any steps toward greater EU-UK alignment in areas such as SPS procedures or export facilitation would shape the UK’s external negotiating posture and reinforce the importance of pursuing agricultural cooperation with the US on a parallel, non-exclusive basis.</p>	<p>BAB continues to recommend that the UK and the US should establish joint working groups to identify specific barriers for agricultural products areas where more harmonized protocols for export verification and SPS compliance would be beneficial.</p>
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Commitment	Initial Assessment (August 2025)	Six-Months Progress Review (December 2025)	Progress as of May 2026	Recommendations / Next Steps
<p>11. Conformity assessment bodies</p> <p>Agree to treat conformity assessment bodies the same as domestic bodies.</p>	<p>From a business perspective, BAB identified this as a high-potential non-tariff barrier commitment, particularly for exporters of regulated goods where compliance costs, time delays, and procedural complexity can be more burdensome than tariffs. Allowing products to be tested or certified in the exporting market, rather than repeating processes in the importing market, would reduce costs, speed time-to-market, and improve supply-chain predictability.</p> <p>BAB recommended that the UK and US develop a mutual recognition framework setting out clear processes, sector priorities, and regulatory responsibilities to translate this principle into deliverable outcomes for business.</p>	<p>By December 2025, there had been no substantive progress in implementing this commitment.</p>	<p>There have been no public announcements, regulatory documents, or agency-level outputs indicating progress toward recognising or equating UK and US conformity assessment bodies.</p> <p>From a broader non-tariff barriers perspective, this lack of progress reinforces a recurring pattern under the EPD. While both sides emphasise cooperation on standards and regulatory issues, delivery has proven most difficult at the point where regulatory autonomy, technical rules, and market-access mechanics intersect. In practice, differences in how conformity assessment and TBT disciplines are applied continue to act as friction points, even where policy goals and safety outcomes are closely aligned.</p>	<p>BAB recommends that:</p> <ul style="list-style-type: none"> • The UK and US prioritise conformity assessment as part of their non-tariff barriers agenda, recognising that progress here could deliver tangible benefits without compromising regulatory standards. • Both governments adopt a focused, technical, sector-by-sector approach, identifying low-risk areas where mutual confidence in testing and certification already exists • Any progress in this area be coordinated carefully with other regulatory relationships, including evolving EU-UK discussions, to ensure a balanced and coherent external regulatory posture.
<p>12. Mutual Recognition Agreements (MRA)</p> <p>Expand the scope of MRAs to cover more industrial goods.</p>	<p>BAB assessed this commitment as a potential means of reducing technical barriers to trade, particularly for industrial goods, by expanding the scope of existing mutual recognition arrangements. BAB also noted that progress on services domestic regulation</p>	<p>In December 2025, BAB concluded that no new sectors had been formally added to the scope of MRAs, and that no roadmap or timeline for expansion or for services domestic regulation had been published.</p>	<p>This commitment has not materially advanced - there have been no formal announcements of expanded MRAs covering additional industrial goods.</p>	<p>BAB's recommendations on this commitment remain unchanged:</p> <ul style="list-style-type: none"> • The UK and US should identify and publicly agree priority sectors for MRA expansion, focusing on areas where regulatory equivalence is already well established.

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<p>Progress an agreement on services domestic regulation.</p>	<p>could improve transparency and efficiency in licensing and authorisation processes, an area of particular importance given the scale of UK-US services trade.</p> <p>BAB welcomed the commitment in principle and recommended that the UK and US identify priority sectors where MRA expansion would deliver the greatest commercial benefit, and explore whether this work could be extended over time to include mutual recognition of qualifications, which has featured prominently in UK-US state-level memoranda of understanding.</p>	<p>BAB's recommendations remained the same as in August.</p>	<p>The absence of visible progress aligns with the broader pattern under the EPD whereby non-tariff barrier commitments have proven more difficult to operationalise than tariff-based measures.</p> <p>From a business perspective, this means that exporters of regulated industrial products continue to face duplicative approval and compliance processes, and service providers have seen no change in licensing or authorisation pathways arising from the EPD. While dialogue may be continuing at a technical level, there is no public evidence of outcomes or deliverables linked to this commitment.</p>	<ul style="list-style-type: none"> Both governments should publish a clear roadmap outlining sequencing, sectoral coverage, and expected timelines.
<p>13. International standards</p> <p>Commitment to discuss the criteria for recognizing standards as international standards.</p>	<p>BAB noted that a future agreement in this area could clarify which standards are internationally credible, reducing regulatory friction and lowering compliance costs.</p>	<p>BAB noted that no formal agreement or published criteria on international standards recognition had been announced.</p>	<p>One year on, this commitment remains conceptually relevant but inactive in practical terms. The absence of agreed criteria continues to matter because differences in how international standards are interpreted and incorporated into domestic regulation remain a source of non-tariff friction.</p>	<p>BAB continues to encourage both governments to continue discussions on this commitment, as an agreement on recognition criteria would streamline regulatory processes, lower costs, and improve interoperability for transatlantic businesses.</p>

Commitment	Initial Assessment (August 2025)	Six-Months Progress Review (December 2025)	Progress as of May 2026	Recommendations / Next Steps
<p>Both sides will agree on which of the other's relevant domiciled SDO's currently meet recognized international principles.</p>			<p>Progress in this area would be foundational rather than standalone: without agreement on standards recognition, downstream commitments on MRAs and conformity assessment are harder to operationalise.</p>	<p>BAB also recommends both governments treat this commitment as enabling infrastructure for progress on MRAs and conformity assessment, rather than as an isolated exercise.</p>

INCREASING DIGITAL TRADE

<p>14a. Digital trade provisions</p> <p>Intention to negotiate a set of digital trade provisions, including services (inclusive of financial services).</p>	<p>BAB assessed this commitment as a high-level statement of intent to negotiate digital trade provisions between the UK and the US, including in services. The commitment did not define scope, content, or timelines, and did not specify how such provisions would interact with existing UK or US regulatory frameworks.</p> <p>BAB recommended that any future digital trade provisions build on existing best practice, such as the USMCA digital trade chapter, and focus on practical outcomes for business, including data flows, regulatory cooperation, and legal certainty for digital and technology-enabled services.</p>	<p>BAB noted that there had been no updates since August on negotiations or content relating to digital trade provisions under this commitment.</p> <p>We recommended that, as a step forward, both governments publish a roadmap for digital trade negotiations, including timelines and priority areas.</p>	<p>This commitment remains largely conceptual.</p> <p>There have been no published negotiating texts, joint statements, or formal workplans setting out the scope or structure of potential digital trade provisions covering services. While the UK-US Technology Prosperity Deal (TPD - currently paused) provides a parallel framework for cooperation on AI, frontier technologies, and cybersecurity, it does not substitute for, or operationalise, this digital trade commitment.</p> <p>From a business perspective, the absence of progress reflects a broader challenge evident across the EPD's non-tariff barrier agenda: regulatory and digital issues are proving harder to advance than tariff-based outcomes.</p>	<p>BAB continues to recommend that the UK and US set out a clear and realistic roadmap for digital trade discussions, distinguishing between areas suited to near-term cooperation and those requiring longer-term negotiation.</p>
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Commitment	Initial Assessment (August 2025)	Six-Months Progress Review (December 2025)	Progress as of May 2026	Recommendations / Next Steps
<p>14b. Digital trade provisions</p> <p>Intention to negotiate provisions on paperless trade, pre-arrival processing and digital procedures for the movement of goods.</p>	<p>We noted that negotiating provisions on paperless trade, pre-arrival processing, and digital customs procedures could help reduce administrative burdens, shorten processing times, and lower the risk of delay for goods moving across the UK-US border. This was welcomed as a constructive step toward trade facilitation, particularly for SMEs and firms reliant on time-sensitive supply chains.</p>	<p>No real updates were noted.</p>	<p>The commitment remains undelivered.</p> <p>While both the UK and the US continue to invest domestically in digitalisation of customs systems, there is no evidence yet of bilateral coordination that would simplify or align procedures for transatlantic trade.</p> <p>The lack of progress on this commitment has become more consequential in the context of wider changes to the trading environment, such as the US decision to remove de minimis and the UK's ongoing review of its own de minimis regime. At the same time, the persistence of new tariffs and enforcement measures is raising the administrative and compliance burden associated with cross-border trade. Against this backdrop, progress on digital trade facilitation, including pre-arrival processing, interoperable data requirements, and paperless procedures, would help mitigate rising friction and support businesses adjusting to a more complex border environment.</p>	<p>BAB continues to recommend that the UK and US prioritise this commitment as a practical trade-facilitation track. Both governments should also identify specific, implementable steps, such as alignment of data requirements, pre-arrival information sharing, or mutual acceptance of electronic documentation.</p> <p>BAB further notes that effective digital customs cooperation would be particularly valuable in helping businesses adapt to changes in de minimis treatment and the cumulative impact of new tariff and enforcement measures.</p>

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ECONOMIC SECURITY

<p>15. Cooperation on economic security</p> <p>Commitment to cooperate on addressing non-market policies of third countries, including the use of investment security measures, export controls and ICT vendor security.</p>	<p>BAB noted that both the UK and the US had already taken significant domestic steps in this area, including strengthened investment screening regimes, and that closer cooperation could help align approaches to national security risks while avoiding unnecessary impact on legitimate trade and investment between allies.</p>	<p>There were no substantial updates at the time (though the Business and Trade Committee in the UK published a report on economic security in November, which we noted could serve as a basis to identify areas of UK-US cooperation on mutual concerns).</p>	<p>While economic security has continued to feature prominently in wider UK and US policy discussions - including around investment screening, sanctions, and supply-chain resilience - there has been no evidence of structured bilateral mechanisms established under the EPD to advance this commitment specifically.</p>	<p>BAB continues to recommend that the UK and US develop clearer channels for dialogue on economic security cooperation under the EPD, distinguishing between shared risks posed by non-market actors and the treatment of allied economies.</p>
<p>16. Procurement</p> <p>Reaffirmed existing procurement commitments and committed to discussing implementation.</p>	<p>We assessed this more as a reaffirmation of existing procurement commitments between the UK and the US, rather than an expansion of market access or negotiation of new rules.</p> <p>Given that both countries are already parties to the WTO Government Procurement Agreement (GPA), BAB understood this provision primarily as a signal of continued support for open and reciprocal procurement markets, and as a basis for discussions on implementation.</p>	<p>No real updates of note.</p>	<p>Still no real updates here. Access conditions for suppliers on both sides of the Atlantic continue to be governed by existing domestic rules and international commitments, without adjustment or clarification linked to the EPD.</p>	<p>BAB continues to recommend that the UK and US use the EPD to support practical dialogue on procurement implementation, including issues such as transparency, accessibility for SMEs, and consistency of procedures.</p>

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<p>17. Tackling duty-evasion</p> <p>Commitment to negotiate provisions to address duty-evasion by countries subject to trade measures.</p>	<p>BAB noted that closer cooperation between UK and US customs authorities could help tackle unfair competition and protect domestic industries. At the same time, BAB stressed that any measures introduced under this commitment should be carefully targeted, ensuring they do not impose excessive administrative burdens on legitimate trade or undermine the flow of compliant goods between trusted partners.</p>	<p>No meaningful updates.</p>	<p>Still no visible progress. Without clear coordination, there is potential for increased scrutiny, documentation requirements, or delays that affect compliant exporters alongside non-compliant actors.</p>	<p>We continue to encourage both governments to make sure this commitment tackles unfair competition from non-compliant actors without imposing excessive burdens on legitimate trade.</p>

OTHER MATTERS

<p>18. Further opportunities</p> <p>Commitment to continue identifying further opportunities in goods, services, investment, and commercial transactions in critical industries and defence preparedness.</p>	<p>This was identified as a broad and forward-looking commitment to deepen transatlantic ties in areas of critical importance to the UK and the US.</p> <p>At the time, we noted that a revitalisation and reestablishing of the transatlantic industry-government dialogues could help inform this process and identify the most strategic issues to address in future talks.</p>	<p>We noted that, aside from the launch of the UK's Critical Minerals Strategy in November 2025, there had been no bilateral updates since August under this commitment.</p> <p>BAB's recommendations remained the same as in August.</p>	<p>No notable advances on this commitment under the EPD.</p> <p>This commitment overlaps conceptually with other parts of the EPD (including economic security, sanctions coordination, and industrial cooperation), but it does not seem to have yet been used to pull those strands together into a coherent forward agenda.</p>	<p>We continue to recommend that the UK and US clarify how this commitment is intended to operate in practice, including whether it is meant to sit above other EPD workstreams or act as a feeder into them. We also encourage both governments re-engage in structured industry-government dialogues to help identify priority areas where further cooperation would deliver mutual benefit.</p>
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Commitment	Initial Assessment (August 2025)	Six-Months Progress Review (December 2025)	Progress as of May 2026	Recommendations / Next Steps
<p>19. Other trade related issues</p> <p>Commitment to discuss IP protection, labor practices and environmental standards.</p>	<p>We welcomed the inclusion of these issues in the EPD, as they are foundational to modern trade agreements. We encouraged both governments to support industry-led initiatives and existing dialogue platforms, such as the UK-US IP Working Group.</p>	<p>No updates.</p>	<p>Lack of real progress.</p> <p>A unilateral development of note is the initiation by the US of a Section 301 investigation into forced labour enforcement practices across 60 economies, including the United Kingdom. This development indicates that labour standards are now being addressed through unilateral trade enforcement tools, rather than through cooperative frameworks such as the EPD.</p>	<p>BAB continues to recommend that engagement on IP protection, labour practices, and environmental standards be anchored to existing, functional platforms, rather than creating new processes without clear purpose.</p>



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May 2026
BritishAmerican Business
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