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The UK–GCC Free Trade Agreement

A first-of-its-kind deal between a G7 nation and the Gulf — and what it means for businesses and boards on both sides of the corridor.

Foreword

On 20 May 2026 the United Kingdom became the first G7 nation to conclude a comprehensive free trade agreement with the Gulf Cooperation Council. For those of us who have spent careers building the relationships beneath that headline, it is less a beginning than a long-awaited formalisation.

At UK-MENA we read this agreement not as a finished document but as an invitation. Tariff schedules open doors; they do not walk anyone through them. The organisations that benefit will be those that understand the commercial, regulatory and cultural terrain on the other side — and act before their competitors do. This paper sets out what the agreement does, where the value sits, and what we believe sensible boards should be doing now.

The headline

A landmark realignment of post-Brexit trade

The agreement was announced in London by the UK Minister of State for Trade Policy, Sir Chris Bryant, and the Secretary-General of the GCC, Jasem Mohamed Albudaiwi. It covers all six member states — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates — and follows negotiations that opened in June 2022. Total UK–GCC trade was worth roughly £53 billion in the most recent period, with UK services exports alone close to £17 billion.

First	£580m	£360m
G7 nation to conclude an FTA with the GCC	Annual UK export duties to be removed	Of those duties removed on day one

For UK exporters, tariffs will be removed on approximately 93% of exports to the GCC. The Gulf side has committed to fully liberalising 90% of its tariff lines within ten years of entry into force — a phased opening that rewards early positioning over late reaction.

Where the value sits

Sector winners on day one

The agreement front-loads benefit into several sectors that matter disproportionately to the UK industrial base:

— **Advanced manufacturing.** Immediate tariff-free access for turbojets and aerospace parts, which currently face 5% duties — a direct gain for the Midlands aerospace cluster and its wider supply chain.

— **Automotive.** Full tariff elimination for UK passenger-car exports, with around 90% of current exports, including hybrids, becoming tariff-free on entry into force; electric vehicles and batteries follow after ten years.

— **Machinery and electronics.** Tariffs removed on entry for goods such as internal combustion engines and most valves and centrifuges.

— **Digital and data.** For the first time, UK companies will be able to store and process data outside the region, removing the cost of standing up local data centres — material for financial services, technology and any data-intensive operation.

> *Tariff schedules open doors; they do not walk anyone through them. The advantage goes to those who move first, and who arrive understanding the room.*

Beyond goods

A modern, multi-pillar agreement

This is not a narrow goods deal. The agreement spans services, financial services, digital trade, investment protection, government procurement, telecommunications and the movement of people. It guarantees UK businesses regulated access to GCC telecoms networks, commits both sides to operationally independent competition authorities, and includes provisions intended to lower the barriers SMEs face — from market-entry information to access to finance.

Practically, businesses will be able to request advance rulings on tariff classification, valuation and origin, with a response due within 90 days. That mechanism turns customs treatment from a source of uncertainty into something a finance team can plan around.

The fine print that matters

Concluded is not yet in force

A crucial distinction for boards: negotiations have concluded, but several procedural stages remain. The UK and GCC must finalise the legal text into a binding treaty, and the agreement enters into force only once both the UK and all GCC member states complete their respective ratification processes. The sensible posture is to prepare now and commit on a realistic timeline — reviewing tariff classifications, testing rules-of-origin compliance, and identifying the chapters most relevant to each line of business.

How UK-MENA helps

From schedule to strategy

The agreement rewards organisations that can translate a 90%-liberalisation timetable into a sequenced market-entry plan, and that can open the right doors once they arrive. UK-MENA advises governments, boards and corporations across exactly this terrain — combining four decades of UK–Arab trade leadership with the relationships, regulatory fluency and discretion that turn access into outcomes.

— **Readiness review** — where your products and services sit against the new schedules, and what to do before entry into force.

— **Market-entry strategy** — sequencing, partner selection and regulatory navigation across the six GCC markets.

— **Introductions** — considered access to decision-makers, officials and partners earned over decades.

Sources

1. UK–GCC FTA conclusion (20 May 2026): UK Government / GCC joint statement; House of Commons Library, "Progress on UK free trade agreement negotiations".

2. Tariff and sector detail: Trowers & Hamlins; Crowell & Moring LLP; Dentons client alerts on the UK–GCC FTA (2026).

3. Trade values and digital provisions: Customs-Declarations.UK analysis of the UK–GCC FTA (2026).

4. Pillars and ratification: Sultanate of Oman Ministry of Foreign Affairs joint statement; Wikipedia summary of the GCC–UK FTA.