

TRADE POLICY AS FOREIGN POLICY: EU'S GLOBAL TRADE AGREEMENTS WITH THE UK POST-BREXIT

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***Abstract:** The United Kingdom's departure from the European Union (EU) in 2020, commonly referred to as Brexit, marked a significant shift in European and global politics, economics, and trade. This paper explores the evolving role of trade policy as a tool of foreign policy, with a particular focus on the European Union's post-Brexit trade agreements with the UK. The EU, as a major global economic actor, had to recalibrate its trade strategies in light of the UK's exit, resulting in the EU-UK Trade and Cooperation Agreement (TCA), a comprehensive agreement that governs future trade relations between the two entities. The paper investigates the political and economic motivations behind the TCA, highlighting how trade policy has become an integral part of the EU's foreign policy framework. Specifically, it delves into how the EU used the negotiation of the TCA to protect its economic interests, manage political tensions, and assert its geopolitical influence in the post-Brexit world. Furthermore, the paper considers the broader implications of this shift in trade policy for the EU's external relations with other countries and regions, including the EU's attempts to balance its economic integration with a global trade agenda in a world increasingly shaped by rising geopolitical tensions. Drawing upon primary sources and academic literature, the paper illustrates how trade agreements, like the TCA, are now used as instruments of foreign policy, reflecting the EU's ambitions to maintain its global regulatory power while adapting to the changing dynamics brought on by Brexit. The paper concludes by considering the long-term implications of Brexit for the EU's position in the global trade system and its ability to navigate future international challenges in a post-Brexit world.*

***Key words:** departure, shift, politics, cooperation, agreement, interests*

INTRODUCTION

The United Kingdom's decision to leave the European Union in 2016, known as Brexit, presented a profound challenge to both the UK and the EU. The exit meant the UK would no longer be part of the EU's Single Market and Customs Union, resulting in the need for new trade agreements between the EU and the UK. The EU-UK Trade and Cooperation Agreement (TCA), signed in December 2020, represents the culmination of years of negotiation and outlines the future relationship between the two entities [6]. This agreement covers various aspects of trade, including goods, services, intellectual property, regulatory alignment, and political cooperation. The EU's trade policy in the post-Brexit era has taken on a new dimension, where trade agreements now serve as instruments not only for economic exchange but also for broader foreign policy objectives [8,15]. This paper examines how the EU utilized trade policy to safeguard its economic interests and maintain its global influence in the aftermath of Brexit [11]. Brexit marked a turning point for the European Union, forcing it to redefine its trade and foreign policy strategies in the absence of one of its largest member states. The EU-UK Trade and Cooperation Agreement (TCA) illustrates how the EU sought to balance the preservation of its Single Market with the need to maintain economic ties with the UK. However, the broader challenge lies in understanding how the EU has transformed trade policy into a strategic foreign policy tool—not only to mitigate the immediate economic and political consequences of Brexit, but also to reinforce its global leadership and adapt to shifting geopolitical dynamics. Existing studies often focus either on the economic outcomes of

Brexit or on the legal complexities of the TCA, but there is a gap in analyzing how the EU integrates trade policy into its broader foreign policy objectives in the post-Brexit era. This study addresses that gap by examining both the EU-UK relationship and the Union's wider global trade strategy.

MATERIALS AND METHODS

In the traditional sense, trade policy has primarily been an economic tool used to regulate international commerce. However, in the context of globalization and geopolitical rivalry, trade policy has increasingly become an instrument of foreign policy. According to Baldwin (2016), trade policy reflects a country's or union's broader geopolitical objectives, shaping not just economic outcomes but also diplomatic relationships and strategic interests [1]. In the case of the EU, trade policy has long been intertwined with its political goals, particularly in promoting values such as multilateralism, democratic governance, and sustainable development. Post-Brexit, the EU's trade policy has become even more integral to its foreign policy strategy, as the Union seeks to assert its global role in an increasingly multipolar world. The negotiation and implementation of the TCA with the UK illustrates how the EU used trade agreements as a foreign policy tool to mitigate the economic and political consequences of Brexit [5]. The study uses a qualitative, analytical approach to examine EU trade policy post-Brexit. It interprets the EU-UK Trade and Cooperation Agreement (TCA) as a case study, analyzing its negotiation process, contents, and political/economic implications. Primary sources include official EU documents, agreements, and reports on Brexit and trade policy. Secondary sources consist of academic literature, scholarly articles, and policy analyses that explore trade policy as an instrument of foreign policy.

RESEARCH RESULTS

The EU-UK negotiations that led to the Trade and Cooperation Agreement were complex and fraught with tensions.

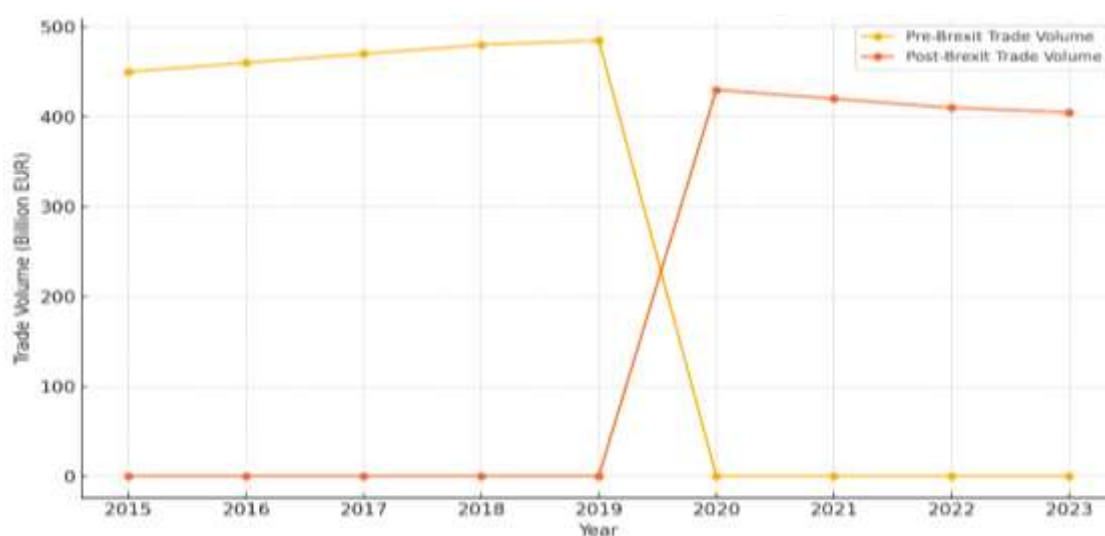


Figure 1. EU-UK Trade Volume: Pre vs. Post-Brexit (2015–2023)

Source: *www.europe.eu*, 2025

Key issues included market access, regulatory alignment, customs procedures, and fishing rights. For the EU, the primary goal was to safeguard the integrity of the Single Market and avoid the UK adopting policies that could undermine EU standards on labor, environmental protection, and taxation [11]. For the UK, the focus was on regaining

sovereignty over its trade policies, free from the regulatory constraints of the EU. Ultimately, the TCA was designed to balance the EU’s desire to maintain economic ties with the UK while ensuring that the departure of a member state did not result in a competitive disadvantage for the remaining EU members.). Figure 1 shows a clear decline in trade volume following Brexit, highlighting the economic impact of the UK's departure from the EU [7].

The EU-UK Trade and Cooperation Agreement has significant political and economic ramifications [10]. Economically, the agreement ensures tariff-free trade in goods but introduces new customs checks and non-tariff barriers that impact the movement of goods and services between the two parties. The agreement's stipulations on regulatory alignment have raised concerns about the long-term economic effects on sectors closely integrated into the EU’s Single Market, such as finance and agriculture [9,14].

Politically, the TCA signals the EU’s strategic response to Brexit, demonstrating its ability to negotiate comprehensive trade agreements that protect its economic interests while reaffirming its global leadership role.

The TCA also serves as a symbol of the EU's commitment to multilateralism and the rules-based international order, despite the challenges posed by the UK’s departure [4].

Figure 2 illustrates a sector-wise comparison of trade activity before and after the Trade and Cooperation Agreement, with noticeable declines in sectors like logistics and finance.

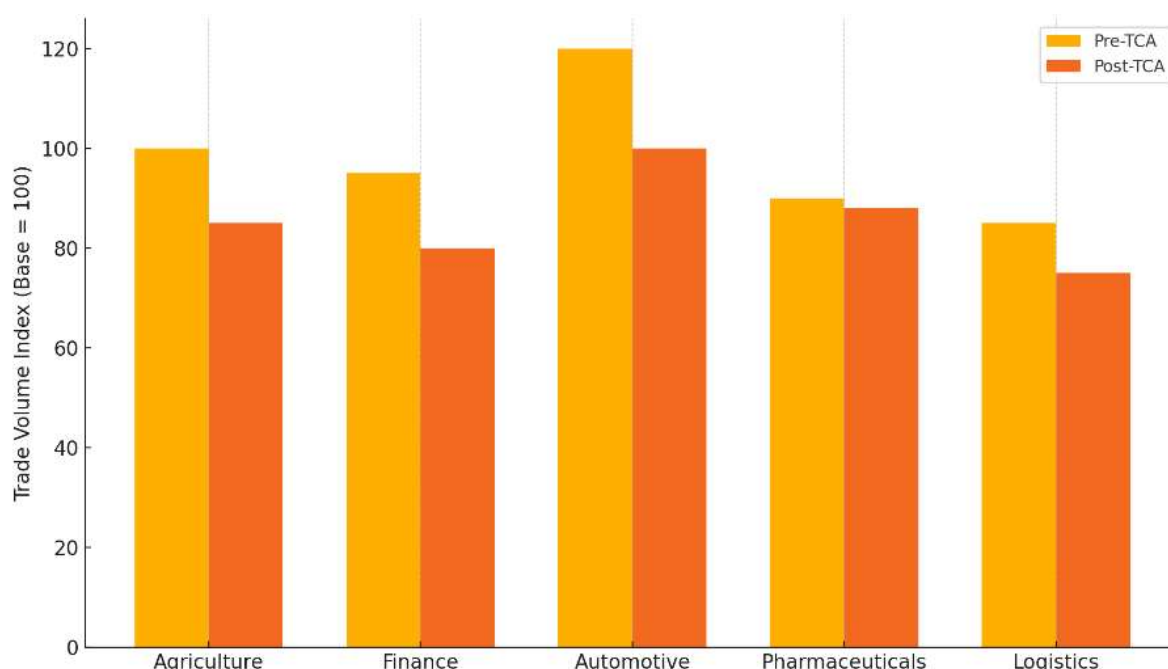


Figure 2. Economic Impact of the EU-UK TCA on Key Sectors

Source: www.europe.eu, 2025

While the TCA is central to post-Brexit EU-UK relations, the EU’s broader trade policy strategy extends far beyond its relationship with the UK. In the wake of Brexit, the EU has sought to reinforce its global trade relationships by negotiating new trade agreements with countries like Japan, Canada, and South Korea [2,8].

These agreements are designed to strengthen the EU’s economic influence and protect its economic model, which is grounded in regulatory standards and sustainable development. Furthermore, the EU has also sought to deepen its trade ties with emerging

economies and bolster its strategic autonomy in a world where global power dynamics are shifting [10].

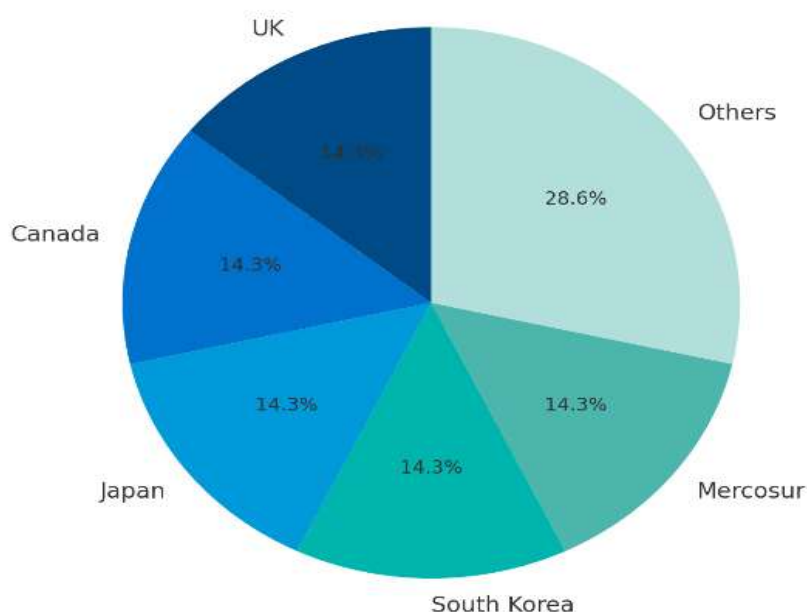


Figure 3. EU Trade Agreements Post-Brexit by Region

Source: *www.europe.eu*, 2025

The EU's efforts to maintain global leadership through trade policy reflect its broader foreign policy objectives, including security, climate change, and economic stability. Figure 3 visualizes the EU's strategic trade diversification efforts, showing engagement with partners like Canada, Japan, South Korea, and Mercosur alongside the UK.

CONCLUSIONS

Trade policy has emerged as a key tool of foreign policy for the European Union, particularly in the wake of Brexit. The EU-UK Trade and Cooperation Agreement is a reflection of the EU's strategic use of trade policy to safeguard its economic interests, assert its global influence, and manage the geopolitical challenges posed by the UK's departure from the Union [13]. While the agreement provides a framework for future EU-UK trade relations, the broader implications of Brexit for the EU's global trade strategy remain significant [3]. The EU's trade policy will continue to play a central role in shaping its external relations and in promoting its values on the global stage, with the EU's ability to navigate the post-Brexit landscape determining its future role in the international system.

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