

HOW THE UK-LAOS TRADE RELATIONSHIP BENEFITS FROM THE DEVELOPING COUNTRIES TRADING SCHEME (DCTS)

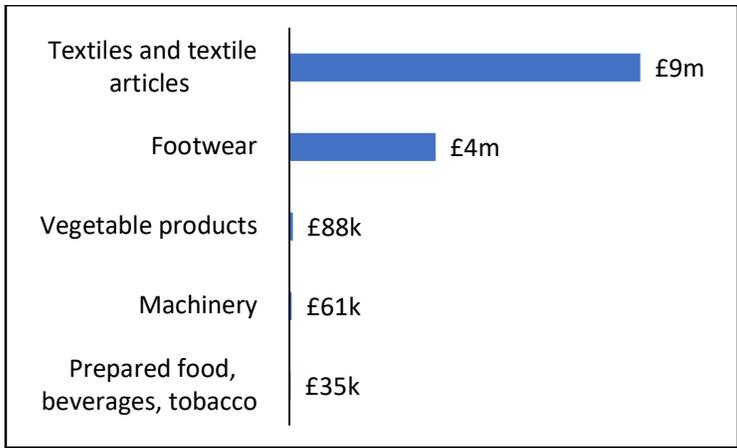
- **£30m** of total trade (goods and services) between the UK and Laos each year
- **100%** of total goods exported from Laos eligible for duty-free access to the UK
- **£1.4m** of tariffs saved on exports to the UK from the DCTS

The UK is reshaping trade with developing countries through a new trading framework: the Developing Countries Trading Scheme (DCTS). The DCTS will be one of the most generous sets of trading preferences of any country in the world, helping to grow trade, boost jobs and drive economic growth. This new scheme demonstrates UK commitment to building long term, mutually beneficial relationships with Laos.

The DCTS responds to the requests of LDCs, going further than any other WTO member in applying the preferred approach to rules of origin defined in the Nairobi Declaration.

The new scheme will replace the UK Generalised Scheme of Preferences and will come into force in early 2023.

EXPORTS OF TOP PRODUCTS ELIGIBLE FOR PREFERENTIAL ACCESS



Some of the specific goods which benefit most from the DCTS include over £3m of average annual exports to the UK of leather boots which receive an 8 percentage point reduction in import duty and over £2.5m of trousers which receive a 12 percentage point reduction in import duty.

KEY BENEFITS FROM CHANGES COMING INTO FORCE IN 2023

Under the DCTS, Laos will continue to benefit from duty free exports to the UK on everything but arms.

The DCTS will provide a more generous trading arrangement for Laos thanks to simplified and more flexible rules of origin, making it easier to produce goods using components from other countries without losing duty-free status.

Laos is due to graduate from Least Developed Country status in the coming years. Changes made to the DCTS mean Laos will retain duty-free access for 99% of eligible exports compared to 2% under the current scheme.

All data in this factsheet is 2018-20 average. Data is sourced from ONS: [UK total trade data \(seasonally adjusted\)](#), HMRC: [Overseas trade by commodity code](#) and FCDO/DIT calculations. Tariff savings assume full preference utilisation.