

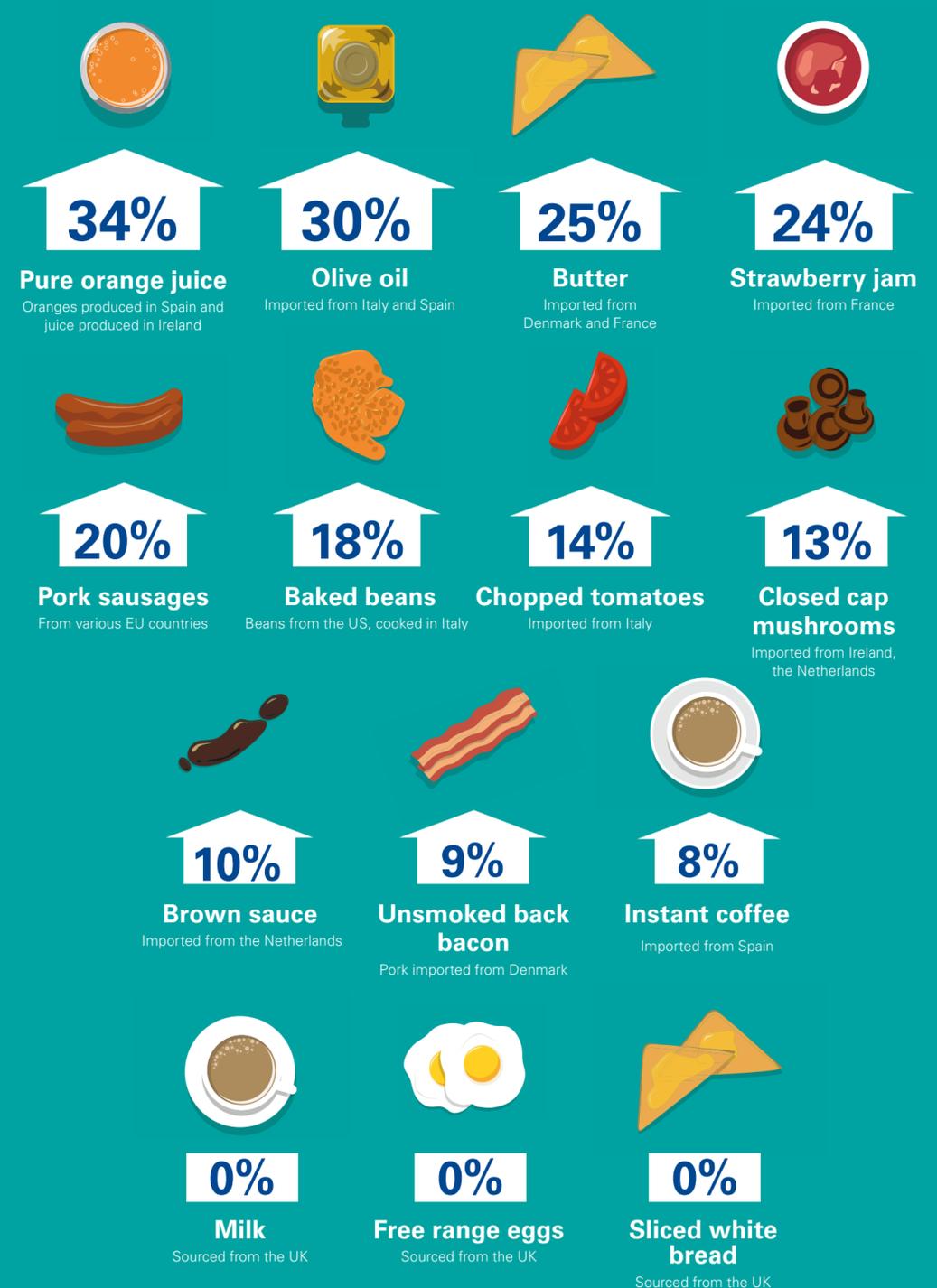
Breakfast, Brexit-style

They sound tongue-twistingly similar... but if the UK were to leave the EU without a trade deal or transitional agreement, how much more would the Great British Breakfast cost after Brexit? The UK would immediately default to WTO rules, with tariffs on food and drink products set to be the highest of all.

We've totted up just how much a home-cooked fry-up might cost after March 2019...¹



Additional tariffs



“Most retailers underestimate the potential cost of these tariffs. Not only do they need to understand their immediate supply chains better, but their suppliers’ supply chains as well.”

Paul Martin, Head of Retail, KPMG

	Before Brexit	After Brexit
Unsmoked Back Bacon	£2.00 (for 300g)	£2.18
Pork Sausages	£2.00 (for 454g)	£2.40
Sliced White bread	£1.00 (for 800g)	£1.00
Milk	£0.75 (for 1.13 litres)	£0.75
Pure Orange Juice	£0.79 (for 1 litres)	£0.93
Baked Beans	£0.32 (for 420g)	£0.34
Free Range Eggs	£0.89 (for 6)	£0.89
Closed Cap Mushrooms	£0.90 (for 300g)	£0.93
Chopped Tomatoes	£0.95 (for 200g)	£0.99
Olive Oil	£3.60 (for 1 litre)	£4.68
Butter	£3.25 (for 500g)	£4.08
Brown Sauce	£1.85 (for 425g)	£1.91
Strawberry Jam	£2.49 (per 370g)	£2.67
Instant Coffee	£2.80 (per 200g)	£2.86
Total	£23.59	£26.61
Thank you for your custom		

Increase in the basket cost – 4.41 times the rate of UK inflation²

12.8%

“WTO tariffs could have a big impact on both consumers and retailers. These figures don’t even reflect the steeper prices consumers will already have felt over the last year, due to the falling pound.”

Bob Jones, Director and Brexit Customs and Indirect Tax Lead, KPMG.

¹ These prices are based on mid-range items from a leading UK supermarket, as of 30 May 2017. We have applied default (current EU external) customs tariffs to only 30% of the retail value of the item. It is assumed that the remaining 70% is made up of costs such as transport, labour, warehousing and margin, all of which are assumed to be incurred in the UK and therefore would not be subject to tariffs. For illustrative purposes, we have sourced some ingredients from abroad where shoppers could also buy a British equivalent: for example Irish sausages or Danish bacon. Where ingredients almost always come from the UK, such as milk, eggs and bread, we have used the UK as country of origin, so that no tariff is applied.

² CPI, May 2017