
EEF - BREXIT

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EEF

eeef

The
manufacturers'
organisation

What EEF has done / is doing

EEF Brexit Policy

- Covering Trade, Customs, Migration and Regulation,
- Government depts. –
 - Business, Energy and Industrial Strategy,
 - Department for International Trade,
 - Department for Exiting the European Union
 - Prime Ministers' Office
- EEF Brussels Office
 - European Commission
 - European Parliament
 - UK Government's Permanent Representation
 - CEEMET

EEF Networks

- Government Affairs Group
- Brexit Advisory Panel
- Brexit Virtual Group
- EEF Policy Committees
- Regional Advisory Boards
- Brexit Hub and Brexit Toolkit

MAKING MIGRATION WORK FOR MANUFACTURERS

ACCESSING SKILLS IN A POST-BREXIT WORLD



BREXIT BRIEFING

A NEW MODEL FOR MIGRATION

Manufacturers' Priorities for a Post-Brexit World



BREXIT BRIEFING

UK TRADE WITH THE EU:

A New Trading Order for the Manufacturing Industry



BREXIT BRIEFING

LIFE AFTER THE EU SINGLE MARKET AND CUSTOMS UNION

Post-Brexit trade issues at the border

BREXIT BRIEFING

RULES OF ORIGIN

BREXIT BRIEFING

UK REGULATION BEYOND BREXIT

Creating the stability, certainty
and clarity manufacturers need



NAVIGATING BREXIT:

THE MIGRATION MINEFIELD



In partnership with:

SQUIRE PATTON BOGGS

BREXIT BRIEFING

BREXIT & ENVIRONMENTAL LEGISLATION: UPDATE ON THE MANUFACTURER'S PERSPECTIVE

BREXIT BRIEFING

AN INDUSTRY ENGAGEMENT MODEL FOR TRADE NEGOTIATIONS





What is the tool?

The Brexit Trade toolkit is a self-audit tool to show the end cost of trading with the EU post Brexit.

This tool takes the customer through the exporting and importing journey of their manufactured products and their parts.

You can find out:

- the tariff code of your product
- what tariffs your company could face
- what non-tariff barriers your company could face (eg regulations, quotas)
- what duty you are likely to have to pay on whatever you import or export after the transitional period is over

The tool will also:

- let you audit to find out if your business is ready to deal with post-Brexit customs regulation changes
- let you find out about any tax and duty relief schemes your business can take advantage of
- help as part of a larger supply mapping exercise

It delivers:

- easy to understand report of cost implication, documentation required
- determine the Rules of Origin

Audit Tool

Find out how your company will be affected by new international trade rules.

[AUDIT TOOL](#)

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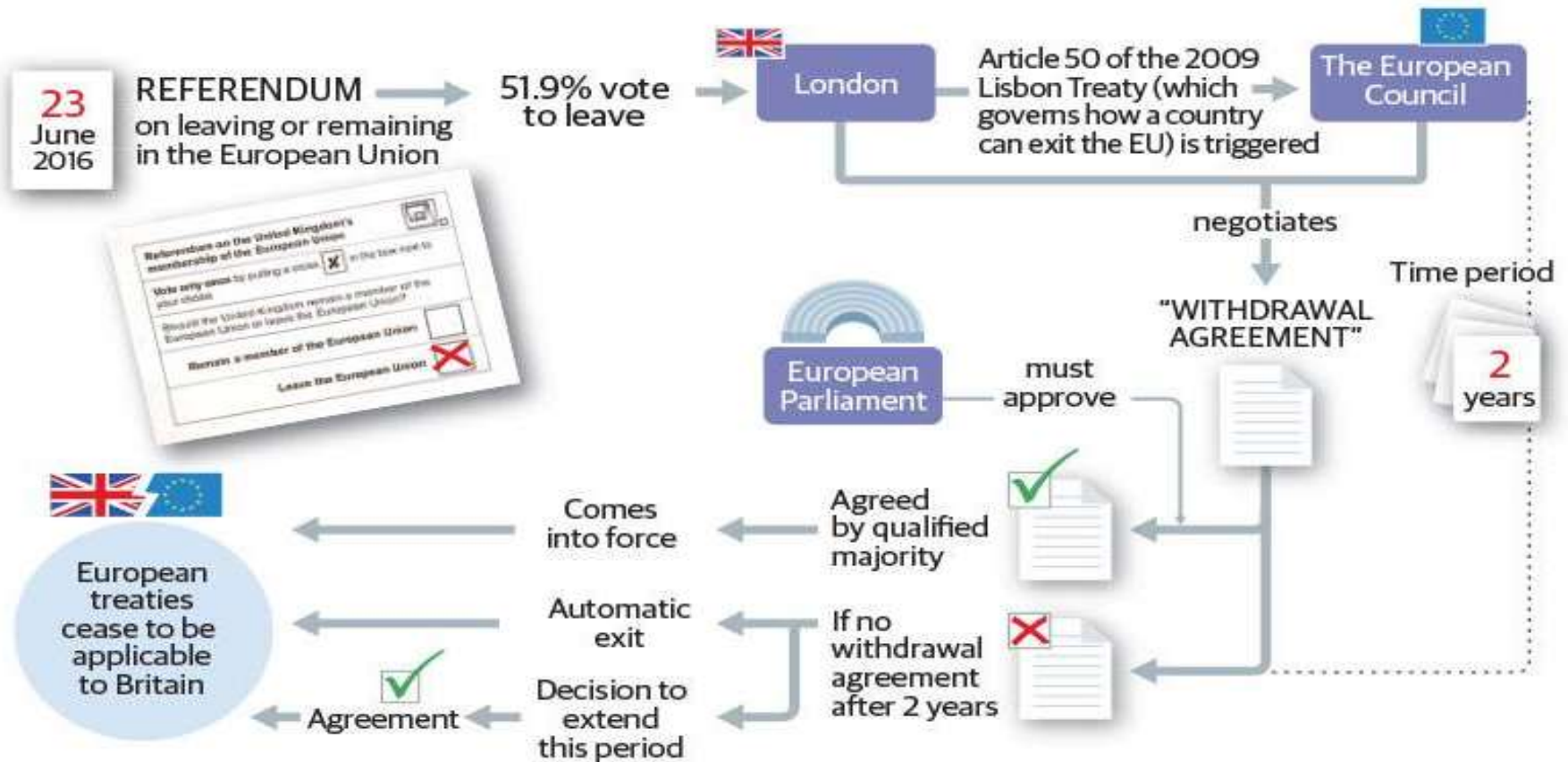


BREXIT knowns

BREXIT – The process

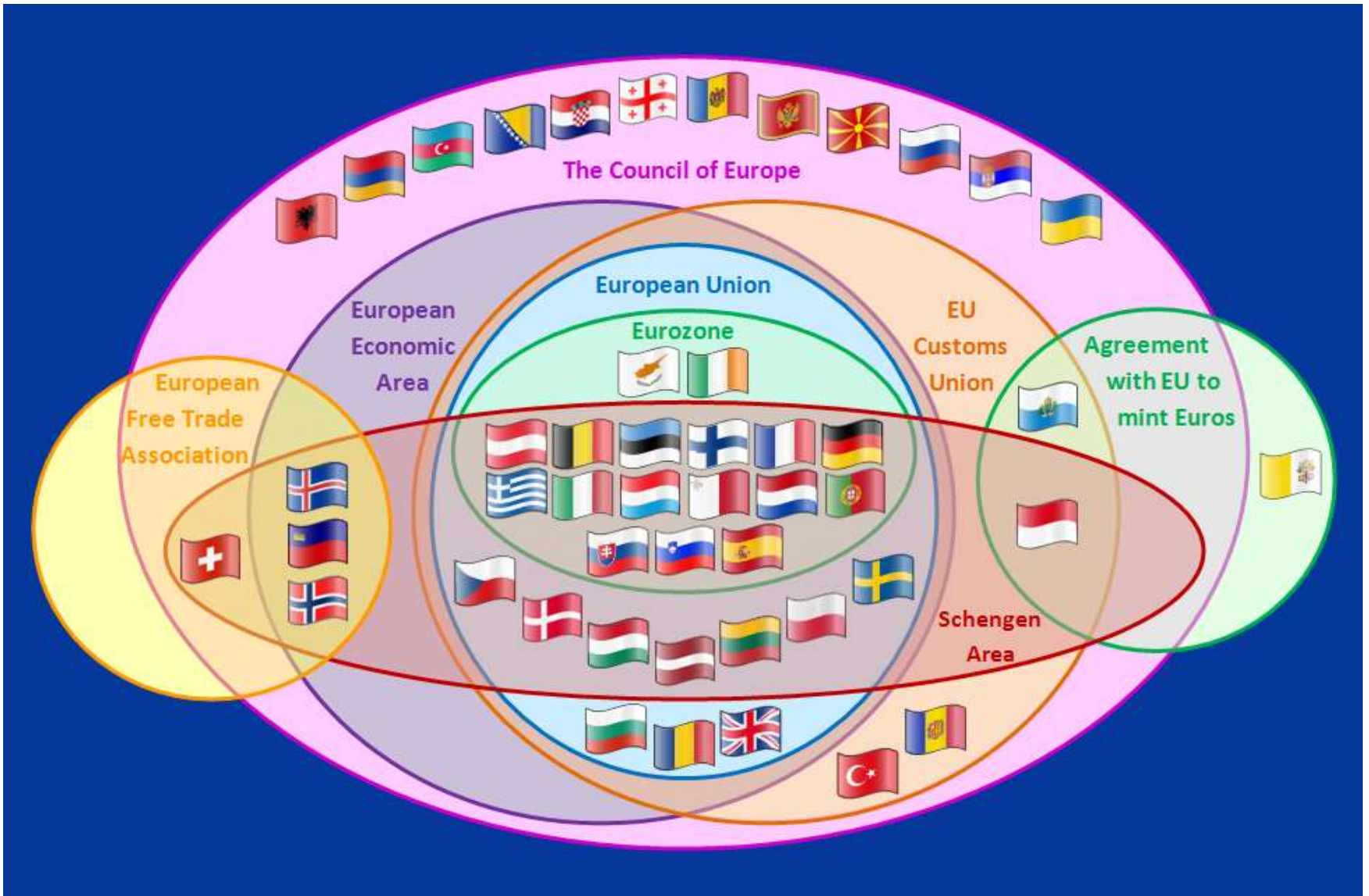
BRITAIN TO LEAVE THE EU: WHAT HAPPENS NEXT?

The official British divorce from Europe would take at least two years



What we know

- The UK is leaving the EU on 29th March 2019
- The UK is also leaving the EU's Single Market
- As well as leaving the Single Market, the UK is also leaving the Customs Union
- We have ruled out free movement, substantial budgetary payments and the Court of Justice
- And the UK wants to agree its own global trade agreements
- We have therefore ruled out everything other than a new free trade agreement with the EU



The impact of leaving the EU

- The Customs Union is an area with a common set of rules for trading goods including
 - no duties on goods moving inside the CU
 - no customs declarations on goods moving inside the CU
 - no VAT payable simply because goods move inside the CU
- Common customs rules are applied at the border of the Customs Union
- This border will be at any EU point of entry, for example, Calais

BREXIT Plan #1 - The Withdrawal Agreement

The Withdrawal Agreement

- The UK's Exit from the EU *should* be followed immediately by a time-limited transitional period
- The *draft* UK/EU agreement provides for this
- This agreement would *temporarily* preserve the UK current participation in the single market and customs union
- It would provide *permanent* settlement for EU citizens in the UK
- And UK citizens in the EU
- Little practically would change for UK businesses and it provides time to prepare for future change

The Article 50 Agreement

- The Withdrawal agreement needs approval at the European Council
- There is a draft date to happen is for this – 17th / 18th November
- It also needs the approval of the European Parliament
- The UK Parliament also needs to approve the agreement
- And needs to pass two new Acts
- And needs to approve a new International Treaty, maybe two
- The government does not have a majority in Parliament

BREXIT Plan #2 – No deal

No-deal planning

- The UK and EU are advising businesses to plan for no-deal
- <https://www.eef.org.uk/business-support/our-services/brexit>
- The EU has already published notices on a no-deal
- https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en
- They describe the consequences in a number of areas which include,
 - Trade, Customs & Tax
 - Transport
 - Company formation, status of managers/directors
 - People & migration

If we leave with no-deal

We will have no preferential access to the Single Market and Customs Union

- Goods will not circulate freely between the UK and EU
- There will be a hard UK/EU border
- Customs declarations will be needed
- Goods will need to be checked
- Tariffs will need to be paid
- Exporters will need to prove their goods have a UK origin
- Importers will need to prove their goods have an EU origin

Tariffs – How they work

- A tariff is a tax, charged on imported goods
- The UK will set tariffs at WTO levels
- These will be the maximum tariffs
- The actual tariff can be lower than this
- The actual tariff will be negotiated between the UK and EU, in time
- **No-deal means reverting to the default WTO tariff**

Default WTO Tariffs

Chemicals	4.7 %
Pharmaceuticals	0 %
Non-electrical machinery	2 %
Electrical machinery	2.5 %
Transport Equipment	4 %
Minerals and metals	2.5 %
Agricultural products	8%
Sugar and Confectionary	20.5 %
Fruit, vegetables and plants	10 %
Coffee and tea	6 %
Cereals and preparations	16%
Beverages and tobacco	19 %
Dairy products	35.0 %
Fish and fish products	11 %
Petroleum	2.5 %
Cars	10 %
Civil aerospace	0 %

No Deal Planning – Trade and Customs

TARIFF BARIERS

Would tariffs apply to you?

Map your entire goods flow

Analyse points of possible new tariff-related costs and process

Will time sensitive deliveries be impacted?

Which tariff codes and rates could apply to your components and final product?

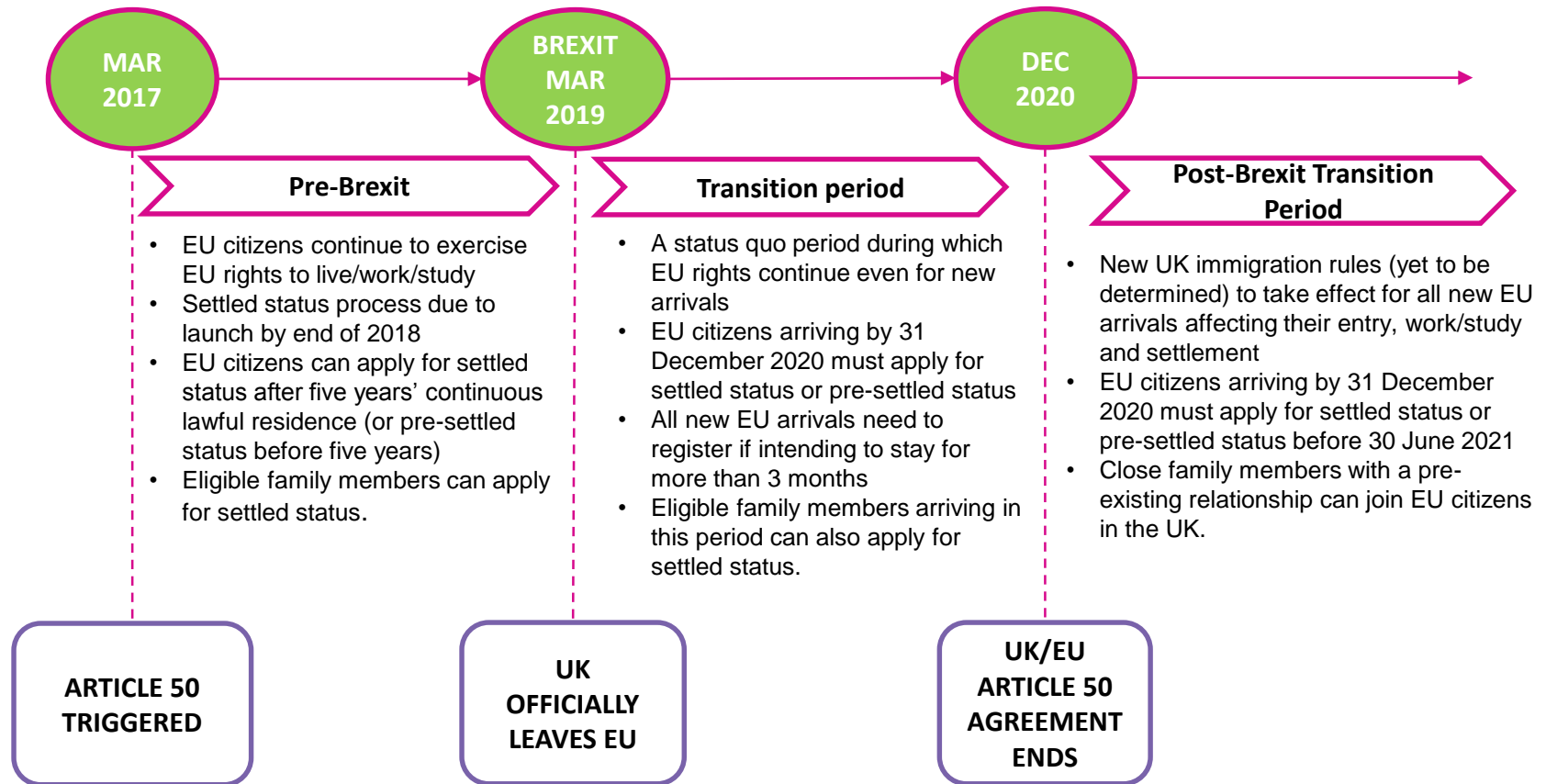
Analyse the additional tariff cost of product price, supply chain operations and competitiveness

EEF - Brexit and Migration

No Deal- People

- The draft Article 50 Agreement covers EU nationals in the UK
- And UK nationals in the EU
- It provides for a route to permanent settlement
- After 5 years continuous residence
- In the event of a no-deal, EU nationals will not have this protection
- The UK's public line is that it will act to safeguard EU citizens in the UK

Settlement system agreement under draft Article 50 agreement



No – Deal impact on mobility

- UK nationals living in the EU would need to seek settlement under rules applied by the individual member states
- Each member state has different rules
- The UK could not post workers into the EU easily
- An EU posting can be a single day to 5 years
- UK employers would be liable to pay social security payments in the EU
- Posting UK workers into the EU will require compliance with the immigration rules of individual member states
- There are likely to be checks to ensure compliance, either at the border, or by labour market inspectors

POSTING WORKERS: THE IMPORTANCE OF MOBILITY

- They may not know it yet, but almost three quarters of manufacturers are posting workers.
- Main focus:
 - 57% attending trade fairs / exhibitions
 - 52% sales and marketing
 - 29% installing and commissioning
 - 24% service and repair

