

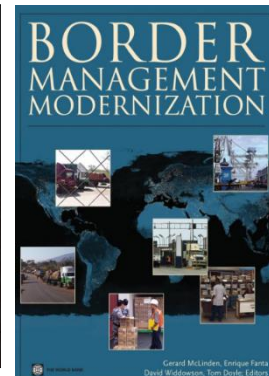
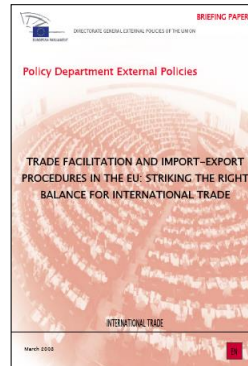
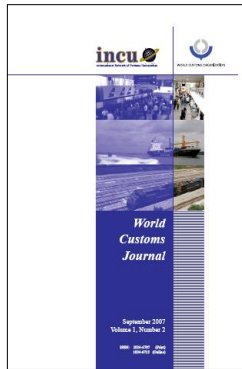
# Local Government Association

Westminster Conference Centre, London, SW1H 0ET, 23<sup>rd</sup> March 2017

## Supporting businesses through Brexit – the key challenges businesses and regulators face

**Andrew Grainger**

Nottingham University Business School  
andrew.grainger@nottingham.ac.uk



# The value of UK trade in goods



Value (billion)	EU	Non-EU
Exports	£142.7	£163.6
Imports	£236.7	£225.8

Source: UKTradeInfo (2016)

## 28 Member States

No internal borders..

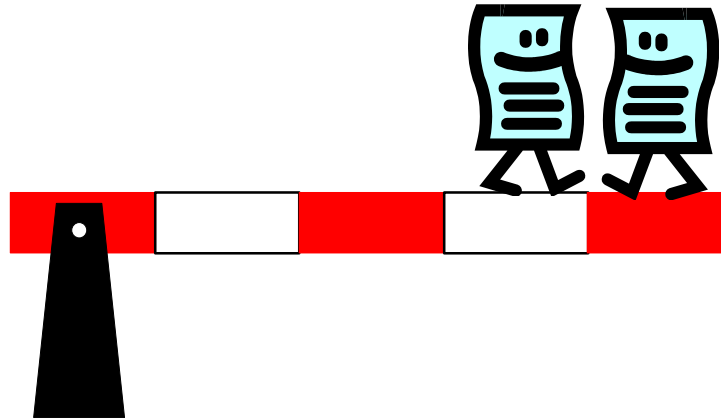
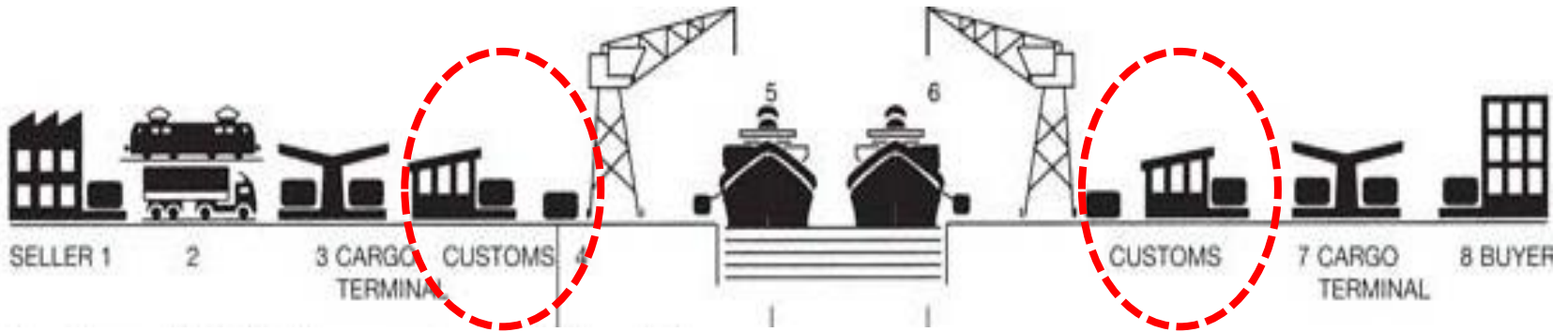
.. free movement of goods

London to Manchester..

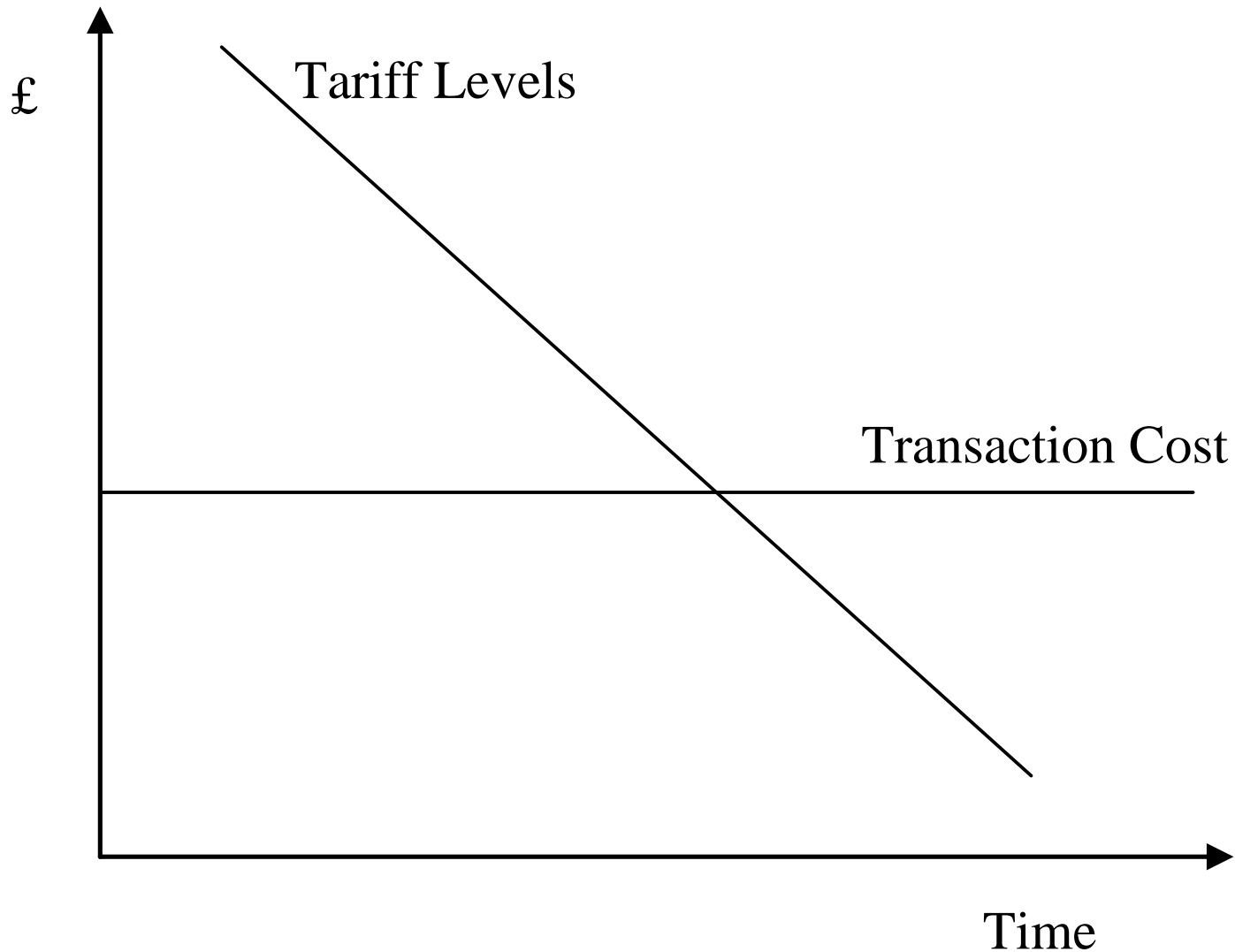
..the same as London to Munich

**We share the same  
customs legislations**

# Custom and trade procedures



# Tariff Levels and Transaction Cost



# Compliance Costs

## Direct

~ up to £35 per  
declaration  
(times two)

- authorisations
- time spent making applications
- submitting declarations
- developing mandated infrastructure (security fences, IT systems etc.)

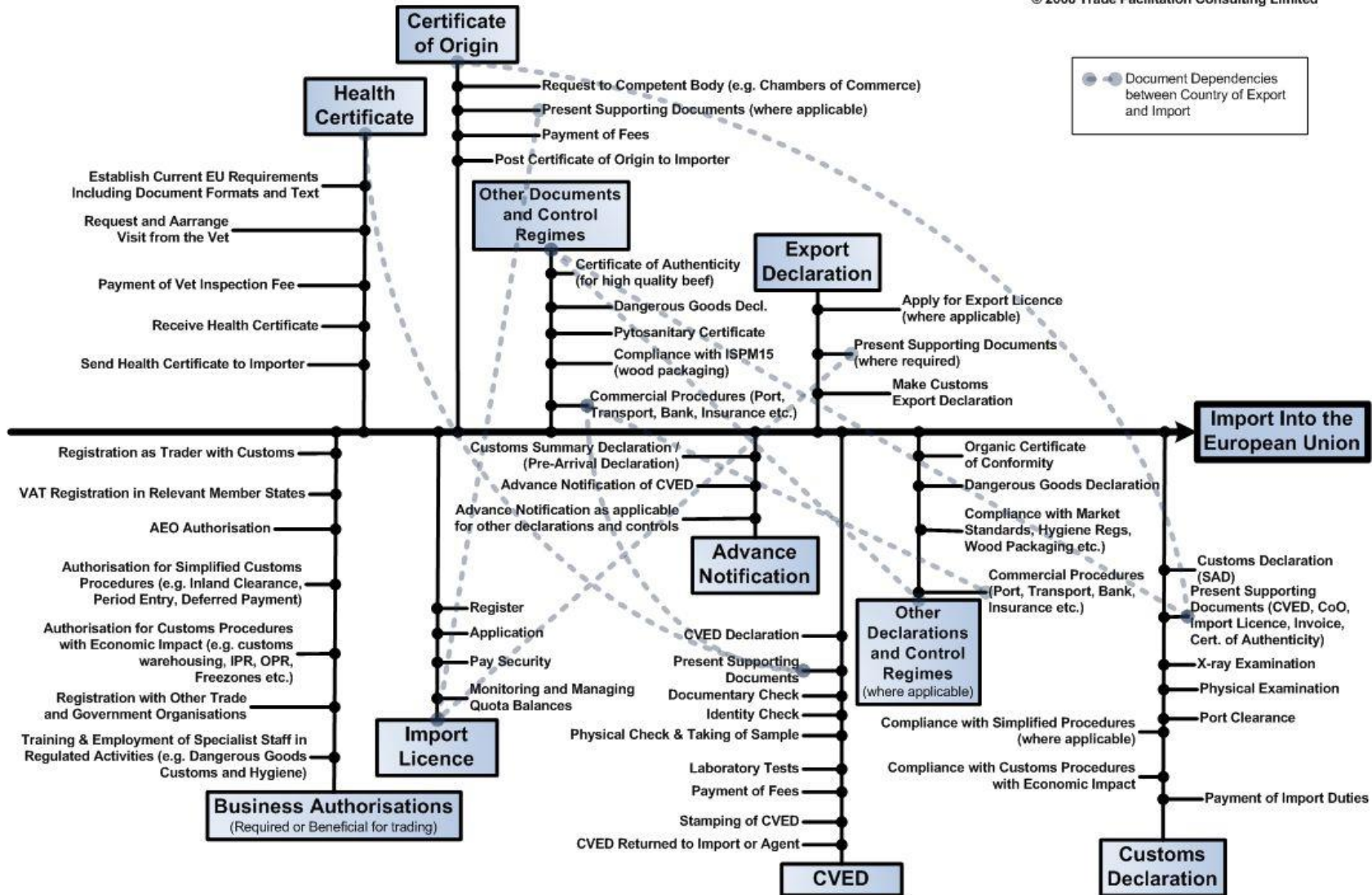
## Indirect

Specific to each  
business and type of  
operation

- delays at the border
- additional storage and demurrage
- missed business opportunities
- reduced competitiveness
- loss of business

# Case: Trade in Poultry and Beef

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# WTO Trade Facilitation Agreement

1. Publication and Availability of Information
2. Opportunity to Comment, Information Before Entry Into Force and Consultation
3. Advance Rulings
4. Appeal or Review Procedures
5. Other Measures to Enhance Impartiality, No-Discrimination and Transparency
6. Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation
7. Release and Clearance of Goods
8. Border Agency Co-operation
9. Movement and of Goods under Customs Control Intended for Import
10. Formalities Connected with Importation and Exportation and Transit
11. Freedom of Transit
12. Customs Co-operation
23. Institutional Arrangements

**In force as of 22<sup>nd</sup> February 2017**

# Requirements

- Be able to **collate** business concerns
  - at home and abroad
- Be able to **hold government agencies accountable**
  - at home and abroad
  - Assess and monitor the performance of border agencies and their impact upon the cost of trading
- **Consultation**
  - Trade Facilitation Reference Panel
  - JCCC – Customs
  - Local Government ???
- Business Government **Relationships**
  - For Gov.: Awareness of regulatory impact
  - For Business: Awareness of regulatory objectives
  - Business support (LAs, Customs, etc)
  - **Partnership instead of arms length**



# The impact of Brexit - Trade

- All very uncertain
  - Tariff (MFN vs. preferential tariffs)
  - Access to EU trade agreements with 3<sup>rd</sup> countries
  - Disruption to supply chain configurations
  - Timescales and requirements are largely unknown
  - IT systems
    - Capacity to accommodate new procedures ... whatever they may be
- The cost of paperwork and red-tape resulting from reintroducing borders with our main trade partners in the EU

# The impact of Brexit - Trade

- Business hedging strategies
  - Relocation
    - into and out of the UK
  - Holding more Safety Stock
    - warehouses and inventories
  - Added costs are likely to be passed on to end-users

# Questions?



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