

## Gambica – Written evidence (FFT0021)

1. What are likely to be the key non-tariff barriers affecting future UK-EU trade in goods and how could these affect the operations of UK businesses?
  - a. The transport cost, the free circulation of goods of the raw materials within the EU countries and consequently the final delivery terms of the finished product, will not be as easy as before. For this reason, EU manufacturers will be often preferred.
  - b. Lead times through customs, delay to incoming goods. The need for additional administration of importing – we still have no idea of the size of this potential task
  - c. Additional marking on the labels – CE mark is for EU and UKCA for UK. This would mean manufacturer's need to update the labels (again) – additional cost and lead time (There should be mutual acceptance of CE or UKCA mark between the EU and the UK)
  - d. Maintaining additional number of certifications for the same applications if the EU certs are not accepted in the UK - this will mean additional cost on manufacturers
  - e. Custom checks: would mean increased Leadtime- Components used for building instruments will have longer lead times to clear through custom checks for goods entering UK or entering EU (DCBG).
  - f. Understanding and implementing the rules of origin principle, this is not clear yet, based on this we would need to add markings on the product label 'Made in ...' . It is understood that the country of origin is where the significant work is completed. Is Made in UK and Made in EU acceptable OR we have to say Made in BG or Made in Poland? Currently we are only putting manufacturer's address but this will not be possible once we exit the EU.
  - g. The time and monetary costs of training staff on the new rules for EU trade, plus the additional documentation requirements, places a huge strain on the business
  
2. What are likely to be the most important technical barriers to UK trade with the EU? How could these be addressed in the future UK-EU trade agreement and what precedents exist in other trade agreements?
  - a. Depends by the cost for re-certification and the barriers between different countries (CE/PED/ATEX will be still valid for UK manufacturers?).
  - b. Divergence between UK & EU regulations & standards, both technical and environmental. If there are mutual acceptance of the EU (or UK) Type certificates, CE/UKCA markings, notified body numbers than this would help a great deal.
  
3. What form of regulatory cooperation should there be between the UK and EU, including cooperation with EU agencies?

- a. UK needs to be in a favourable position for this cooperation – the TTIP (with US is all favouring the US – funnily enough). How does the government ensure we have good terms for this?
  - b. As mentioned in above points, a regulatory alignment of standards and regulation which is mutually accepted by both parties would reduce burden on manufacturers of both sides.
4. How could the UK and EU minimise the costs and disruption associated with any testing and compliance processes that will be required, including conformity assessments? How effective would mutual recognition be in keeping these to a minimum?
  - a. There should be fully integration of EU normative into UK production and EU products should be sold inside UK without any requirement of re-certification, etc.....
  - b. Manufacturers in EU and UK have traditionally applied for EU certs through their local notified bodies (agencies) based in that region, which was agreed all over the EU region. It is important that this acceptance is carried forward otherwise there will be additional cost and time to place the new products on the market. A mutual recognition of the certificate/standard used by agencies on either side of the channel will enable the same high level of conformity assessment and with little to no disruption to the manufacturer.
5. What arrangements on rules of origin should there be between the UK and the EU? What precedents are there for bespoke arrangements in other trade agreements?
  - a. This could turn out to be a complex issue – as the current guidelines are bit ambiguous– most of the components used in building of products originate from more than one country. If as currently, the country of origin might be where the final significant production work is completed, however, it could be based on cost of labour or cost of components/ amount of components etc. More clearer terms to answer some of the queries will help to control operation decisions.
  - b. Compliance with CSR, bribery act etc. An agreement as simple as possible.
6. How could customs processes and documentation be simplified to support UK-EU trade? What role could new technology play in this regard?
  - a. To be the same as at present
  - b. Someone from shipping would be best suited to answer this but a pre-screening of items or option for automatic custom clearance of items should be considered.
  - c. It would be beneficial if there were an easier way to obtain proof of export, perhaps through an online system where delivery/export can be logged officially.

7. What improvements should be made to existing customs facilitations, such as trusted trader schemes, particularly for the benefit of small and newly-established businesses?

a. Electronic Invoicing

8. Are there any other areas where the UK or EU should be more ambitious in reducing the costs associated with non-tariff barriers?

Mentioned above in point 1

9. What impact would the absence of a UK-EU trade agreement at the end of the transition period have on non-tariff barriers and, consequently, UK businesses? How prepared are UK businesses for this situation and what should they be doing to get ready?

a. Mentioned in point 1. To cover the impact of extra custom duties that will be applied to components and parts that will be shipped between BG and UK will push the cost of instruments high which will increase the price of the instruments for the customer. Depending upon who is exporting more, there may be imbalance on the impact to the manufacturers based in UK and EU.

b. Businesses are trying to prepare as much as possible but without a final decision regarding trade with Europe, this is almost impossible. There is only a limited amount of preparation and training that can be done in only a few months.

c. Any additional work for potential changes to CE marking could also be problematic. If the regulations aren't clear, then taking the time to understand them might put us behind on being compliant and therefore delay sales.

d. Higher admin costs (import & export declarations/IPR etc). Cost of export to EU customers will increase (unless direct from BG). VAT? Cost of training staff in new compliance procedures.

10. How prepared are UK businesses for this situation and what should they be doing to get ready?

a. We have a full plan but we do not have all the answers to our planned activities, as most are unknown. We are up to date with all government notices and any actions we needed to take.

**13 July 2020**