

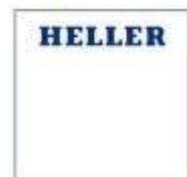
GERMAN INDUSTRY UK

THE VOICE OF GERMAN BUSINESS IN THE UNITED KINGDOM



New Survey Amongst German Business in the UK: Many Post-Brexit Challenges 2021

Businesses who took part:



GERMAN INDUSTRY UK

THE VOICE OF GERMAN BUSINESS IN THE UNITED KINGDOM



GERMAN INDUSTRY UK (GIUK) has been at the forefront of German business in the UK, one of Germany's most important markets and locations worldwide for over 45 years. We are a private organisation of 100 members of the board of German businesses in the UK. They represent 200 businesses, employing 200,000 people.

2020 and 2021 has seen us now working in a new environment following the UK's decision to leave to European Union. The EU-UK Trade and Cooperation Agreement which was signed at the end of last year has created a new relationship between the UK and the EU. However, it is becoming clear that there remain many issues in the Agreement that are impacting upon trade and logistics. There is a lot of bureaucracy and extra costs facing us now.

GIUK's mission is to support German business in the UK. This includes lobbying Government on matters of concern to us.

The EU-UK Trade and Cooperation Agreement and COVID-19 are currently our main concerns in the UK.

In order to proceed with our lobbying Government, we asked for the views of German business in the UK during February, March and April. We had 35 replies, amongst them major companies such as Bayer, Bentley Motors, BMW, Boehringer Ingelheim, DHL, Lufthansa, ThyssenKrupp, Volkswagen and others.

Results of the Survey:

Has your business been impacted in these first weeks of 2021?

More or less all of German businesses who took part experienced a significant impact to the flow of goods and costs early in 2021 and beyond.

Are you facing extra costs now?

Almost all are facing extra tariff, logistics, customs transaction, IT and people costs.

Are you experiencing delays with shipping either from or to the EU (Germany)?

Most of the businesses are experiencing delays with shipping either from or to the EU (Germany).

Are any parts of your business affected by quotas and or tariffs in the new Trade Agreement?

The majority of the businesses are affected by quotas and or tariffs.

Is your business affected by travel restrictions between the UK and the EU (Germany)?

Most of the businesses are affected by travel restrictions between the UK and the EU (Germany), mainly because of COVID-19.

Is your business affected by the need for a Sponsorship License to bring in staff from the EU (Germany) to the UK?



Most businesses have not been affected so far by the need for a Sponsorship License to bring in staff to the UK from the EU (Germany).

With particular regard to Northern Ireland, what problems are you facing?

A number of businesses are facing challenges with their sales to Northern Ireland.

What actions would you like to see the UK Government take in the coming months?

A great number of suggestions were put forward for the UK Government to action during the coming months, such as ensuring no further disruption in June when the grace period will run out in the UK, to focus on financial services since it is a key UK industry and clarify the regulations for import and export to Northern Ireland.

Full Results:

Has your business been impacted in these first weeks of 2021?

- 1 Yes of course, we have had to change many processes, we have had to create a new service for DDP shipping to EU. We have seen big delays with customs problems – (more from our side) in adopting the new regime. We have lost business where customers have changed their supply chain to move fulfilment from the UK to the EU. Our customers have shipped less because sales are down to EU due to fear of customs delays etc.
- 2 Yes we have experienced a lot of delayed shipments. We are confident that our paperwork is in place but the carriers and customs have had real difficulty in following a sound process.
- 3 Some limited issues with Ireland. In Europe some customers no eori.
- 4 Revenue wise. No. Margin has increased slightly due to better RoE.
- 5 Yes.
- 6 No due to pre-Brexit activities and prudent stock management, overall transport network has remained stable with only minor delays and disruptions to date.
- 7 Yes, no goods in and out and still a problem.
- 8 Yes we have had significant impacts to the flow of goods and our costs. Vehicle availability inbound to the UK from the EU has been extremely challenging, as an average we have seen an increase in costs of around 50% on contracted rates, and up to 200% in some cases. Customs clearance charges are also now running at a premium compared to what was quoted before 1st January, often around double or in some cases even higher. Getting goods into Ireland has been and continues to be very challenging, whilst getting goods exported from the UK has been straightforward, the Irish revenue system has been a real challenge and we have seen delays with processing affecting transit times to customers in Ireland. Northern Ireland has also been a challenge, the TSS hasn't even been operational for traders for the first 6 weeks, it opened today and we have had problems with all clearances we have tried to process.
- 9 Yes. Initially significant delays (~2-3 weeks) at the border both inbound and outbound, partly due to errors/missing paperwork and partly due to congestion/overload with the hauliers/carriers. Delays now reducing to additional ~1-2 days. Mitigation steps (additional inventories) implemented ahead of yearend successfully avoided any direct impact on customers.

GERMAN INDUSTRY UK

THE VOICE OF GERMAN BUSINESS IN THE UNITED KINGDOM



- 10 Long delays on incoming freight, additional transportation costs and additional admin to keep things moving. We've also 'lost' goods shipped on groupage due to other items on the trucks being held up at customs. Overall the most significant impact has been to the customer, right now we simply cannot plan deliveries with any degree of certainty.
- 11 Yes, to a degree. We have seen some short delays in bringing product into the UK and we had delays in moving product from GB to NI primarily due to increased documentation requirements. These issues have now been overcome.
- 12 Due to the late deal announcement the first 3 weeks were spent trying to find out the rules we needed to follow. This effected goods coming into GB and significantly affected sales to Ireland and Northern Ireland. Sales to EU also negatively impacted due to the extra duties on selling EU produced goods back to the EU (Percy Pig problem).
- 13 Yes, supply of imported goods has been interrupted. We have seen delays with customs clearances at the ports but more significantly severe delays to airfreight.
- 14 –
- 15 We have managed to mostly maintain the expected levels of business.
- 16 Yes, we have seen a significant delay at courier services (DPD, FedEx, ...). The designated trucks from/to Germany did show an impact too. Transit time increased at least 50% on average.
- 17 We were very pleased to see a Deal agreed. We were well prepared for the changes but yes we did inevitably experience a number of challenges during the first weeks of 2021. In particular some issues with border crossings, increased costs and uncertainty regarding the movement of people.
- 18 Yes but only to the extent of additional administration to complete, we have not suffered reduction in sales or problems with suppliers.
- 19 Yes, from lack clear information from the government.
- 20 Yes, although in a small scale compared to other businesses we definitely have issues with deliveries to us and price increases. Without evidence I feel that there is still uncertainty about the overall effect Brexit and COVID will have and companies are careful when it comes to investments.
- 21 Yes, mainly logistics.
- 22 Most definitely from haulage availability to clearance of goods at ports.
- 23 Absolutely! Costs and time delays.
- 24 Yes
- 25 Yes, 90% less capacity used.
- 26 In 3 ways:
1: Shipments to Ireland presented 2 challenges:
a: Pre boarding notifications took 24 hours to be issued. You can't ship without one.
b: Duties are payable UK to EU (even with EU assembled products) - see below
The backlog constituted ~130 loads ca 15000 units - about 7 weeks supply
2: On goods receipt, we are still having to intervene (on behalf of carriers and shipping centres) to lodge details for customs clearance and the clearance work for our broker has increased 3 fold
3: Products which could ship to EU (i.e. Ireland or NI) need also to have dual energy labels, and some initial production challenges mean a re-work in GB for this.
- 28 The car industry has been deeply affected by the national lockdown in Q1 2021. Specifically with regard to Brexit, the importation of cars and parts has continued effectively, because of the extensive preparations made in the preceding months.
- 29 Yes, as we 100% import we have faced severe challenges getting hold of material.
- 30 No – First Qtr.1 is at planned sales (similar to 2019 sales).
- 31 Yes in terms of importing materials to serve the UK customers. We are a global



organisation so we are mainly importing but January sales were 30% below budget due to a lack of materials flowing across the border. We are facing increases in costs due to the amount of administration involved in creating customs documentation even though we are using the Freight Forwarders as brokers.

32 Yes – some delays, extra paperwork, new processes and administration.

33 Yes. We have had to implement new processes to make customs declarations for the movement of goods from the EU into the UK, and then also from GB to NI. We had engaged a customs broker to complete these on our behalf due to the volume of declarations now needed. New supply routes were implemented for our shipments into the Rep of Ireland (these used to transit through the UK). Significant effort has had to be applied to submit the required registrations to the now independent regulator.

New processes and requirements have had to be introduced and met to continue to supply some plant / vegetable seed products from the EU to the UK.

34 We have been suffering delays of up to 24 hours for our incoming freight. Availability of trucks is poor, resulting in some standard transport routes not being covered in time, even with existing nominated Logistics Providers. Logistics Providers not all ready for the administration. As well as hiring a customs specialist we have also had to engage with 2 brokers for different routes to manage the document submissions

35 Not really

Are you facing extra costs now?

1 Yes, we have had to employ new staff and develop new products and service, we are also investigating opening a new facility in Belgium.

2 Yes, there`s cost associated with export and import declarations. There is also additional cost relating to country of origin where some products are supplied by the EU but manufactured by a third country.

3 No material extra costs to do with Brexit.

4 Yes 1.7% Duty, + 0.7 FTE to handle admin plus 0.2% additional carrier charges.

5 Yes.

6 Yes we are taking on additional costs, however we need to operate within the new framework for 4-6 months to understand the full additional cost impact.

7 Yes, transport is 25% increased.

8 As per previous question, regarding freight, duty also, clearly not all goods into the UK from Europe as duty freight even if made in the EU due to rules of origin; also we are now paying double duty for Ireland shipments on all of our EU sourced goods which was not expected as part of a “free trade agreement”.

9 Additional internal admin costs.

10 Tariffs and surcharges on nearly all our imported goods, significantly increasing shipping costs, increased admin for preparation and processing of additional documentation. Short term we`re absorbing surcharges due to prolonged logistics delays.

11 We do have increased costs linked to logistics but this has been the case for 2 years and are BREXIT related.

12 Yes extra import costs, import duties going to NI, lots of extra paperwork to coordinate.

13 Yes, prior to Jan 2021 we had already recruited additional internal resource but we are also using freight forwarders at additional cost.

14 Yes, extra banking licence, more regulation.

15 Yes, customs, tariffs, IT programming...



- 16 Yes, Admin costs and logistics costs.
- 17 Yes in a number of areas:
Tariff costs – although we in general support the rules of origin levels secured in the Deal, rules of origin requirements are still complex and may not be fulfilled for a number of reasons (e.g. goods do not meet requirements or correct documentation is not available);
Logistics costs – we have implemented changes to some transport routes in order to reduce reliance on the Dover / Calais corridor. We have also experienced some border delays (see below). Longer transport routes or delayed border crossings have increased Logistics costs;
Customs transaction costs – additional costs are now incurred as a result of the new customs administration and documentation requirements;
IT costs – we have had to make changes to several IT systems within our business and also to implement a completely new IT system to manage customs operations. As well as initial implementation costs, these systems also have ongoing run costs;
People costs – we are experiencing increased costs associated with the movement of people between the UK and EU (e.g. work permits, Visa applications and sponsorship licences).
- 18 Yes, additional import/export charges and administration time. But much lower than we feared.
- 19 Yes, to deal with all the extra administration.
- 20 Yes
- 21 Yes. Logistics.
- 22 In all seeing 2 to 3% increase in costs, but haulage & freight into the UK has gone up 40%.
- 23 Yes. Road transport costs for shipments into the UK from the EU have increased, due to the transit delays and reduced availability of vehicles and drivers. We also now have extra border clearance costs on top being recharged to us - both export clearance costs from EU exporters, and then also import clearance costs from UK clearing agents. Our Customer Service teams are also having to spend longer chasing and preparing correct clearance documentation; also extra time in communicating with suppliers and customers on transit timings, due to the uncertainties of border delays. We also incurred ridiculous Customs Inspection warehouse fees for delays over Christmas and New Year, when government services at the border couldn't cope with the volume of pre-Brexit rush traffic and preparations.
- 24 Yes logistic costs have risen considerably.
- 25 No, major cost relief due to furlough.
- 26 Average 2.5% duties to Ireland on all goods shipped via GB. There is also the potential for duty to arise on imports into the UK (average 1.6%) if we cannot prove EU origin for goods.
- 28 Yes, significant additional costs of customs requirements of importation of cars and parts in administrative processes and resources required to carry them out.
- 29 Yes, duties and extra shipping costs added to administration costs of handling the new processes
- 30 Yes – until can prove Preferential Origin, all EU imports are attracting 3% tariff and 1% agents' costs, which is only partially transferred to the customer invoice.
- 31 Yes we are facing costs from creation of customs documentation, administration fees from suppliers and increased transport costs
- 32 Yes – administration costs mainly
- 33 Yes. Additional costs are being experienced for transport, customs, plant / seed certificates and inspections
- 34 We are experiencing an additional 30% in incoming freight cost
- 35 No



Are you experiencing delays with shipping either from or to the EU (Germany)?

- 1 Yes long delays in getting customs compliance issues resolved. Shipments have been held whilst they are resolved.
- 2 Yes, from Germany.
- 3 Yes but not Brexit related. Lack of containers and trucks.
- 4 Yes – Logistics has been hit and miss. Based on Groupage and others not having paperwork together. Also our carrier acts as main importer and parcel service is now handled by them instead of our warehouse directly. Traceability becomes an issue for last mile.
- 5 Yes.
- 6 As per previous question.
- 7 On both sides.
- 8 As per question 1, vehicle availability was and continues to be a challenge, in some cases to get availability at a reasonable price we have had to take longer lead time transport i.e. 7-10 days versus 2-3.
- 9 Yes see Q1 above. Now reducing to minor additional delays.
- 10 Less so no, but still happening. Full loads are better, groupage is still a lottery. We're also slowly seeing a slow return of some hauliers who stopped running services during the last weeks of '20 and first weeks of '21.
- 11 Minor delays but this does have an impact in meeting delivery slots at distribution centre.
- 12 Been trying to get material directly to Southern Ireland for 4 weeks and still not got there.
- 13 Yes, see #1 above.
- 14 n/a
- 15 Yes, delays for truck deliveries from Germany of +2 to 3 days.
- 16 Yes, see question 1.
- 17 Yes – On the whole we have not seen significant delays at the border itself. We continue to closely monitor the position to determine whether any delays are due to an initial “bedding” in period for the new processes or whether there are more systematic issues. Most of the delays we have experienced have happened away from the border for e.g. in customs offices.
- 18 Some but generally not if the paperwork is good. Where there is an issue is with Groupage shipments where you are subject to the worst paperwork on the lorry; in this case we have seen delays and lost goods.
- 19 No, thankfully this part seems to be working well.
- 20 Yes, from the EU
- 21 Yes UPS not performing towards KPI
- 22 Yes
- 23 Yes. We have experienced delays on shipments coming into the UK from various EU countries with transit times almost doubling in many instances.
- 24 Yes significant delays.
- 25 No.
- 26 In addition to above, up to 24 hours into Ireland, and a similar level for sea freight from EU.
- 28 Delays of returning empty containers to Europe were significant in January and February and are now largely resolved.
- 29 Very much. We have gone from next day deliveries without any problems to waiting many weeks in some cases for a single shipment.
- 30 Yes, but this is improving and not such a huge topic.

GERMAN INDUSTRY UK

THE VOICE OF GERMAN BUSINESS IN THE UNITED KINGDOM



- 31 The first few weeks we experienced serious delays due to customs clearance delays and Freight Forwarders reluctant to move part loads. We have had to switch Freight Forwarders and are paying a premium but receiving a better service.
- 32 Yes – but mostly containers, not driven freight
- 33 No significant impacts. Some minor delays experienced due to plant / seed inspections on entering the UK
- 34 Up to 24 hours of delay for incoming
- 35 Nothing material

Are any parts of your business affected by quotas and or tariffs in the new Trade Agreement?

- 1 Not applicable for us.
- 2 Yes where the country of origin is not covered with an FTA.
- 3 Some but no material.
- 4 Since our products are part made in EU part made in CN; the admin involved for the made in EU range does not justify the 1.7% duty saving so net result is we pay duty on everything.
- 5 No.
- 6 No.
- 7 Yes, getting the goods to the UK and re-shipping to Southern Ireland.
- 8 As per previous question, some EU produced products are not tariff free due to rules of origin; EU produced goods (the vast majority of stock lines) are not duty free into Ireland, so a significant increase.
- 9 None material.
- 10 Tariffs now apply to nearly every product and spare part brought in (range 2 – 8% average will be typically 6%).
- 11 No
- 12 Materials trading business significantly affected by quotas on steel entering Northern Ireland, charged 25% when goods imported 1st Jan. Shipping goods unprocessed to NI are a significant issue.
- 13 No.
- 14 N/A.
- 15 Yes, certain machines and spare parts.
- 16 No.
- 17 Yes regarding tariff costs as above. We have not been affected by any quota issues.
- 18 No
- 19 Yes, because some of our component products are sourced outside the EU.
- 20 No
- 21 Services performed in the UK have lost competitiveness on turnaround time and cost.
- 22 Yes, tariffs are still payable on some products from EU due to the 'country of origin' rule.
- 23 Yes. We have learnt that goods coming from EU to UK, and then back out to Ireland could face VAT and duties due to the changed Country of Origin rules – whereas previously there was no issue. To avoid this, we need to contemplate either bonded warehousing facilities which are significantly more expensive and again add extra documentation time and costs or no longer holding stock in the UK and considering direct deliveries only between EU and Ireland.
- 24 No.
- 25 No.
- 26 Reduction in import duties in products sourced from China.

GERMAN INDUSTRY UK

THE VOICE OF GERMAN BUSINESS IN THE UNITED KINGDOM



- 28 Yes, the importation of parts is affected by tariffs. The importation of vehicles is not currently but may be in future.
- 29 Yes, although it's not entirely clear how that works.
- 30 Yes – 65% of our UK sales are directly affected.
- 31 Country of Origin of goods is now affecting us as we buy products from Italy which are from CN Origin. These units would previously have had free movement once cleared into the EU at the Italian border but now will be subject to Tariffs as they are not of EU preferential origin. We also sell goods to Republic of Ireland so now we have extra checks to ensure we declare origin of goods correctly.
- 32 No
- 33 Yes. Some of our crop protection and seed products do not meet the rules of origin requirements to benefit from the preferential duty rates. In addition, all of our crop protection, seed products and food supplements will be subject to tariffs when moving from the GB to NI.
- 34 -
- 35 No

Is your business affected by travel restrictions between the UK and the EU (Germany)?

- 1 Covid-19 has stopped travel much more than Brexit
- 2 Not at present as Covid-19 is preventing travel
- 3 All travel still banned by the organisation
- 4 No
- 5 Yes
- 6 Naturally it would be preferable to be able to travel for business meetings to Germany.
- 7 Totally locked in by Virus.
- 8 Not majorly.
- 9 Currently not travelling internationally. Minimal direct impact on the business in short term.
- 10 No
- 11 Yes but we have managed well.
- 12 Not currently due to Covid-19 lockdown.
- 13 Not significantly.
- 14 Yes, but a lot moved online for the time being.
- 15 Yes of course!
- 16 Effects due to Brexit can't be evaluated due to pandemic at the moment.
- 17 Yes as explained in previous question.
- 18 Not really, we find other ways to work. This is also likely to mean lower travel costs in the future.
- 19 Yes
- 20 Yes, it does affect us too much as we only have a few customers outside the UK, but one project is definitely affected.
- 21 Yes, uncertainty of how to involve UK staff in large projects during production phase performed in Germany.
- 22 Yes & availability of EU drivers to bring in imports from Germany.
- 23 Yes. Once business travel resumes, then with regular flights to the EU, this means we will have wasted time delay at passport control, not being able to use the EU section. The opposite also applies for our EU suppliers who visit us in the UK, or for joint visits to customers. This adds cost and wasted time to planning visits which previously could have

GERMAN INDUSTRY UK

THE VOICE OF GERMAN BUSINESS IN THE UNITED KINGDOM



been done in a day may now have to involve an overnight stay. This may make such face-to-face visits less likely, but this may impact on the effectiveness of relationships.

- 24 Yes very much so; unable to come to the UK.
- 25 Yes, third country status in connection with COVID impacts Schengen Transfers.
- 26 Not really.
- 28 No travel is undertaken currently due to covid-19
- 29 We have transitioned almost entirely to remote working and remote meetings. Therefore about the only good thing to come out of COVID was our renewed ability to handle virtual meetings.
- 30 Yes, Since April 2020 almost zero travel to Germany / UK due to Covid.
- 31 As a global company we would normally be travelling on a regular basis to the HQ in Germany plus other European sites. Our staff are now having to conduct virtual meeting where possible but there are some restrictions.
- 32 Not so far – only Covid
- 33 No impacts experienced so far.
- 34 These restrictions are due to C-19
- 35 yes but can be overcome somewhat by videoconferencing

Is your business affected by the need for a Sponsorship Licence to bring in staff from the EU (Germany) to the UK?

- 1 No
- 2 Not at present
- 3 No
- 4 No
- 5 No
- 6 Not in the short term, currently finalising our application for a sponsorship license to be prepared for future projects.
- 7 No, I do not consider bringing staff in.
- 8 No
- 9 Not currently. Will have minor impact (reduction in flexibility) in future.
- 10 No
- 11 Yes
- 12 Not currently
- 13 No
- 14 N/a
- 15 No
- 16 Yes, we are in process applying for it.
- 17 Yes as explained in previous question.
- 18 Yes to a minor extent and we already have sponsorship licence arrangements for non-EU so it additional burden rather than completely new.
- 19 No
- 20 Not applicable at the moment
- 21 No.
- 22 Not yet as currently seeing travel restrictions but Yes, will be restricted.
- 23 No
- 24 –
- 25 No



- 26 No.
- 28 Yes, but this is not a major issue.
- 29 No
- 30 Not directly in the legal entity I represent, but of course any expat agreements will become more erroneous.
- 31 All staff are on UK contracts so no issues.
- 32 Not yet but I envisage this could be the case
- 33 No impacts experienced so far.
- 34 Not at the moment
- 35 yes, minimal impact

With particular regard to Northern Ireland, what problems are you facing?

- 1 Not a problem
- 2 Limited business so no significant issues at present.
- 3 Some delays however getting better.
- 4 None – We go direct from EU-EU and moved all customers to be served by HQ.
- 5 None because we hired a unit in Belfast end of last year to receive EU products bypassing GB. Even though we will only use the unit from March, we can already use our associated XI... VAT number to make direct shipments from e.g. Germany to customers in Ireland, including the Republic, without customs paperwork.
- 6 System issues, delays in administrative processing, customer / supplier uncertainty over rules. This has been resolved over the past 6 weeks.
- 7 Not dealing with Northern Ireland.
- 8 The workload associated with the Trader Support System.
- 9 The situation for goods into NI is complex and of course was not clarified until 3 working days before implementation, therefore no preparation was possible.
- 10 Similar issues, long delays with government approvals. Nightmare shipping goods.
- 11 Regulatory process, batch testing and release and related supply chain topics.
- 12 Import Tariffs on shipping goods from GB, confusion about "at risk status".
- 13 None of significance.
- 14 N/a
- 15 Everything to do with VAT and customs. Processes and requirements are mostly unclear or not understandable.
- 16 Our business is currently not affected by Northern Ireland border.
- 17 We have only a very limited number of flows with Northern Ireland and have not therefore experienced any major challenges.
- 18 Currently not many other than the paperwork needed. But we don't work so much with NI.
- 19 Red tape, and freight companies making mistakes.
- 20 Not applicable to us, but I know of some companies having stopped doing business with NI (reason quoted was due to costs and complexity of deliveries with even larger service organisations only take on deliveries when you commit to a certain quantity.
- 21 Uncertainty.
- 22 Many, even sometimes more than the experiences of bringing goods in from the EU. From poor understanding by HMRC, TSS system not working to having to pay duty for goods into NI from UK.
- 23 –
- 24 –



- 25 Nil
- 26 As we export to Ireland & Northern Ireland from the UK, under the Withdrawal Bill Northern Ireland is classed as EU and is therefore requiring similar paperwork and product labelling as South - a complication that previously didn't exist before January 1st 2021. Full import controls into Northern Ireland have been postponed until 2022.
- 28 Currently, no issues.
- 29 We have moved the business of the entire island of Ireland to our Germany company in order to reduce admin burden.
- 30 Logistic complexity increased with some logistics companies refusing to deliver into NI.
- 31 Additional customs processes has led to additional costs plus delays in transport.
- 32 We supply Northern Ireland from RoI – no issues. Dual labelling is one contentious topic for RoI vs NI/UK
- 33 Short term – our products will be subject to tariffs when moving from the GB to NI due to being classified as ‘at risk’, even though the majority originate in the EU. Longer term – We can currently continue to transit through the UK. However after this ends, our current supply routing and model is not viable without further extensions to the derogation, or a mutual recognition agreement. Alternative routes would need to be secured, however some products lines, due to small volumes for the NI market, would become non-viable. In addition it is unclear as to the regulatory, licensing and packaging requirements for NI in the longer term, again creating risk to supply and viability of products for the NI market.
- 34 Nothing for us currently
- 35 none

What actions would you like to see the UK Government take in the coming months?

- 1 –
- 2 Ensure UK customers have the resources to handle the extra documentation. Seek a further extension on GDPR adequacy rules as the initial 4-6 months grace period will soon run out. More clarity on how the new trade deals now being agreed are an improvement on what we had when in the EU
- 3 Smooth the Irish issue and change the parameters for NOM
- 4 Release of lockdown and restriction (provided safe to do so). Stricter controls for incoming people with potential mutations. (Australia mode).
Solve the finance part of the ‘Trade Deal’. By March for Financial Services to ensure field is level – at moment is not. Establish Trade deals with rest of world to help re-balance economy.
- 5 We don’t want them to question the IE/NI protocol anymore because it perpetuates uncertainty.
- 6 Most urgent is clarity over travel restrictions and timetable for creating a mutually agreed travel corridor with Germany. Government also need to highlight the expected short term supply chain impact due to final implementation of customs changes in July 2021.
- 7 I don’t think they have anybody enough to listen.
- 8 Negotiate an amendment article maintaining the preferential status of EU goods if they leave the EU to enter the UK and then re-enter the EU i.e. Ireland, as exists with Switzerland and Canada.
- 9 Nothing further govt can do directly to support our business in relation to this.
- 10 Attention to pending approvals (we’re still waiting acceptance/feedback on our CEVA application made months ago), making sure the software for declarations is working well

GERMAN INDUSTRY UK

THE VOICE OF GERMAN BUSINESS IN THE UNITED KINGDOM



and not live tested. Early and meaningful communication of any pending changes to the recently established protocols and systems. and of course, PM to explain how the tariff/surcharge fee deal of the 24th December quickly wasn't!

- 11 Continue efforts to secure a Mutual Recognition Agreement, or at the very least maintain a unilateral recognition of EU batch release/test status within GB past 1 Jan 2023.
- 12 Ease the process of going to NI.
- 13 Ensure no further disruption in June, work to minimise all frictions (re-join the EU).
- 14 Focus as well on financial services, since is a key industry and tax payer in the UK.
- 15 Clarify the regulations for import / export to Northern Ireland. The "at risk" requirements are impossible to follow for the same stock items being delivered from both the EU and UK.
- 16 Find arrangements which are less cost intensive (to stay competitive). The market doesn't pay for non added value cost (in case you don't have a monopoly).
- 17 There are a number of actions that we would like the UK Government to take in the coming months. However there are also a number of areas where we believe that further action on the EU part would help. These areas are also listed below:

EU

- We are seeing inconsistency of approach across member states on some HR and customs matters
- An immediate issue is that Business Traveller rules of member states for visiting UK citizens vary country to country. This means it is unclear what activities (e.g. testing cars or media drives) require work permits and what do not.
- We also have varying and limited customs offices opening hours across Members States. Germany for e.g. opens 9-5 and a shorter day on a Friday. This is adding delay and complexity into operations. It is in contrast to the 24/7 model operated by the UK.
- We are experiencing inconsistency of rules on returnable packaging (stillages), again adding delay into operations.
- The delays are therefore often away from the borders and as such less visible. However delays remain.
- Consistency of approach would be beneficial and extended customs operations in particular.

UK

- On the UK side, we need to ensure that the border is ready for the additional checks being instigated in July. The border must continue to work effectively and swiftly.
 - We look forward to seeing more details from the UK Government on their longer term border operating model
 - Rules of origin phase in period for PHEVs and BEVs is welcome but the UK needs to be ready for the end date.
- 18 The deal is done and the border controls will stay. We hope the UK gvt just stays pragmatic in the next months. Eg We are currently importing goods where Germany cannot yet state place of origin so technically they would be subject to tariffs but so far we haven't been charged.
 - 19 More flexibility time, clear guidance from the HRMC to allow companies to adapt/support, along with initiatives to support industry. Most businesses will not have the right initial level of expertise or knowledge, as details have only started to come through in January with regard to customs declarations, etc, etc.
 - 20 Listen to all or a wider variety of businesses and their issues and be open to accept that Brexit and the agreement cause serious issues. Also listen to smaller businesses. We need businesses to invest in projects e.g. automations, effective communication, modernisation and have the certainty (to an extent) that investing now is beneficial and they get a return on invest.

GERMAN INDUSTRY UK

THE VOICE OF GERMAN BUSINESS IN THE UNITED KINGDOM



- 21 The damage is done.
- 22 Try & cut the red tape of Brexit & make it simpler instead of trying to please everyone.
- 23 Provide compensation to small businesses for exceptional costs incurred due to Brexit delays over the Christmas and New Year period. So far we have received only official excuses denying responsibility and accountability.
Employ increased Border Control agents.
Introduce some form of reciprocal ease of travel through passport control with EU airports.
- 24 Lift travel restrictions for business people and reduce paperwork.
- 25 Brexit is not an issue for us at the moment.
- 26 We would like more product standards harmonisation with the EU: We had it up to 31st December 2020 and appliances are not now suddenly unsafe, so there is no need for the labelling changes to reflect a UK flag and, together with the UKCA obligations, it just creates more work, potential delays and additional cost which is all then borne by the consumer.
A revision to the salary entry requirements to be lowered to come to work in UK: the "threshold" for an EU citizen to work in the UK seems to be set at £25k. The public now appreciate a little more what is needed logistically to get their product to their doorstep, and it is a critical part of the economy. Warehouse workers are paid typically ~£20k, which is below the £25k threshold.
- 28 Improve communication prior to increased border checks
- 29 An apology to business for ignoring these issues raised over the last 4 years and a roadmap for us rejoining the single market
- 30 Preferential Origin (to avoid tariffs) is a major headache, can this be simplified to satisfy customs and HMRC? Otherwise every product imported needs to have detailed calculations regarding origin, which is affecting our competitiveness.
- 31 Reduce corporation tax to help compensate for additional expenses from customs.
Legislation of Freight forwarders to prevent rising costs.
- 32 Any actions to reduce incremental administration and interventions needed, as well as clarity on dual product marking requirements
- 33 Since the last survey we welcome changes to MHRA guidance that mean that batch testing will continue to be accepted from listed European Economic Area countries, while an evidence based review is conducted on what batch testing should look like in future. At the end of this review, there will be a two year notice period before any new arrangements are introduced. We are keen that government engages with industry and seeks to minimize the extent to which industry will be required to duplicate effort to no additional benefit to patient safety.
Easing of restrictions for movements of goods from GB to NI, and in particular loosening of the criteria for the duty on movements from GB to NI – especially where products originate in EU (current criteria is not logical)
- 34 Simplify further the documentation required. We have had to apply for 3 different certifications in order to import our goods.
- 35 concentrate on the service industry

General Reply:

- 27 We have been affected by Brexit, as with everyone else – particularly in paperwork terms, but also associated costs. The postponement of the full UK controls are welcome, as long as

GERMAN INDUSTRY UK

THE VOICE OF GERMAN BUSINESS IN THE UNITED KINGDOM



the UK Government uses the time wisely to put in place sensible and workable controls...
We are still assessing the long-term effects of the Trade and Cooperation Agreement,
particularly in relation to Rules of Origin.