

Your EU exit update

IGD Webinar

11.00h, 16th December 2020

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Your presenters



James Walton
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Your agenda



1. Diplomacy, politics and government
2. FAQs
3. Economic performance
4. Economic outlook
5. Shopper sentiment
6. Q&A

1. Diplomacy, politics and government

Cross-Channel logistics have already come under pressure



EU “no-deal” contingency plans have been published

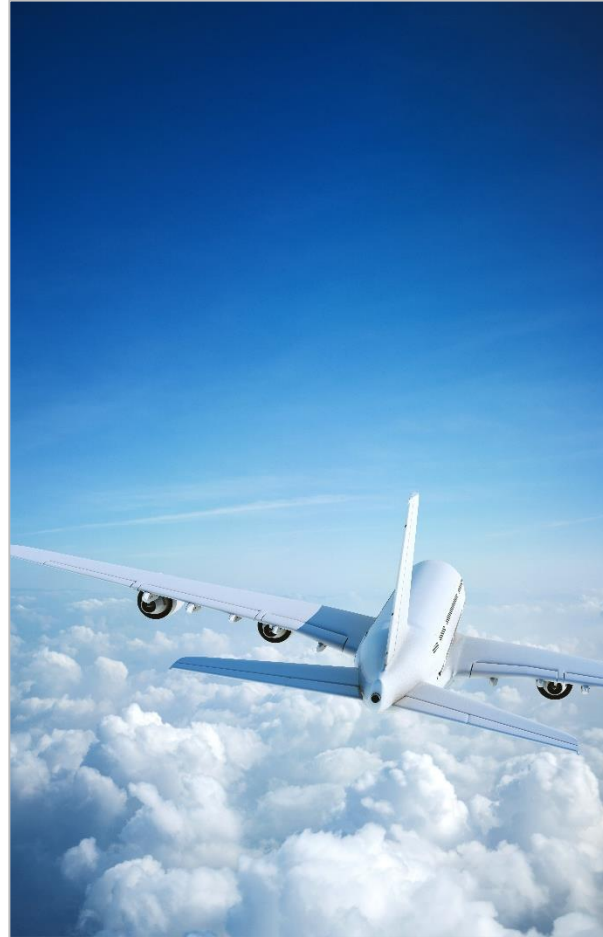


Continued road connectivity

For goods and passengers

If reciprocated by UK

6 months

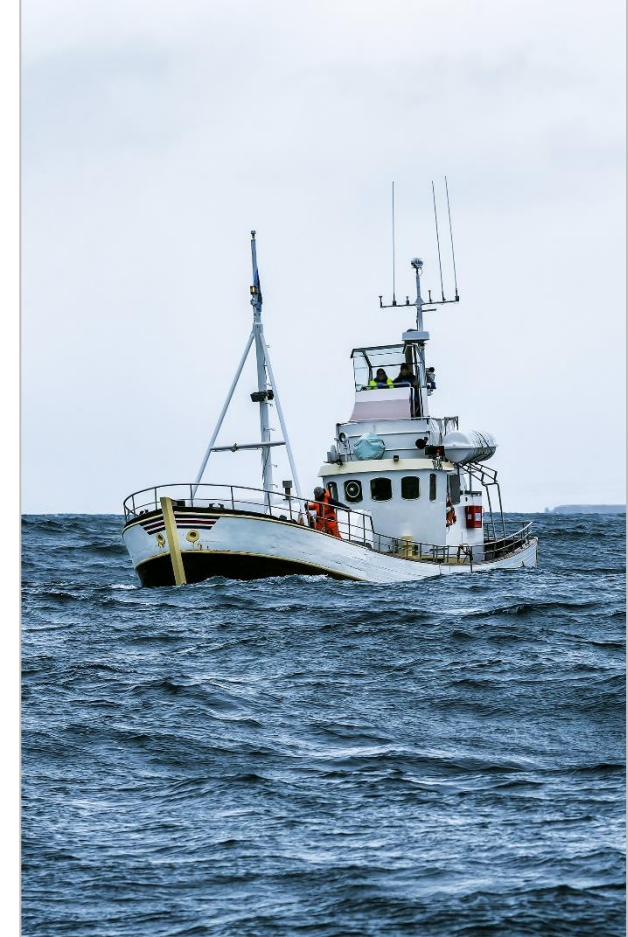


Continued air connectivity

With measures on air safety

If reciprocated by UK

6 months



Continued fisheries access

Pending new fisheries agreement

If reciprocated by UK

Up to 12 months

UK government preparation is ongoing



Whatever happens, some things will change on 01 January



With or without a deal

Admin

New record-keeping responsibilities (eg: customs declarations)

Immigration and labour

EU and non-EU workers will follow the same regulations
No route into the UK for lower-skilled, lower-paid workers

Bio-security

Pre-notification of agri-food shipments, via IPAFFS
Sanitary and phyto-sanitary (SPS) checks, with fees payable

Northern Ireland

Special status for Northern Ireland – part of UK but aligned to EU in some areas
Some SPS checks on goods entering NI from GB

Documents

Agri-food shipments must have right documents (eg: EHC's)
In mixed loads, all items must have right documents or all will be blocked

Vehicle routing

Goods vehicles moving to and from Channel Ports must use specified routes
Imports of agri-food goods must enter the UK at specified locations from July 2021

Without a deal

Tariffs

Tariff payments on EU goods brought to the UK, including agri-food

Key UK government information for grocery businesses



FOOD AND DRINK BUSINESSES

NEW RULES WILL AFFECT YOU FROM 1 JANUARY 2021

TIME IS RUNNING OUT, ACT NOW AT GOV.UK/FOOD-DRINK-2021

 Check
Change
Go



TRANSPORTING GOODS BETWEEN GREAT BRITAIN AND THE EU FROM 1 JANUARY 2021: GUIDANCE FOR HAULIERS AND COMMERCIAL DRIVERS

GUIDANCE FOR HAULAGE COMPANIES AND COMMERCIAL DRIVERS MOVING GOODS BETWEEN GREAT BRITAIN (ENGLAND, SCOTLAND AND WALES) AND THE EUROPEAN UNION.

 Check
Change
Go

Check an HGV is ready to cross the border

Related content

- [Prepare to export goods from Great Britain to the EU from 1 January 2021](#)
- [Transport goods out of the UK by road: step by step](#)
- [Export licenses and certificates from 1 January 2021](#)
- [Import and export procedures](#)
- [Import and export forms](#)

Heavy Goods Vehicles (HGV) over 7.5 tonnes travelling from Great Britain to the EU must use this service to get an electronic Kent Access Permit before taking goods to the Port of Dover or Eurotunnel. To apply you must:

- submit a self-assessment for compliance with EU import requirements
- verify you have the necessary EU customs and export documentation before the goods travel to port
- be able to verify that you meet UK customs declaration export requirements before the goods travel to port

Vehicles under 7.5 tonnes as well as all vehicles travelling to ports outside of Great Britain can use this service on an advisory basis.

! The driver could be stopped and fined up to £300 and/or turned away if the vehicle proceeds to the Port of Dover or Eurotunnel without a Kent Access Permit. Compliance checks of documentation may be conducted and fines issued to those found to have provided false information when applying for the Kent Access Permit.

This service will be available in other languages

Self-assessment takes around 5 minutes

Before you start

You will need:

- the expected date and time of arrival in Kent if you are leaving the UK via Eurotunnel or Dover
- any applicable Movement Reference Numbers (MRN)
- any applicable Transit Accompanying Documents (TAD)
- any applicable Admission Temporaire/Temporary Admission (ATA) or Transport Internationaux Routiers (TIR) carnets
- any applicable required documents for animals, plants, firearms, or other specialty goods
- the Vehicle Registration Number (front number plate) of the HGV

Heavy Commercial Vehicles (HCVs), defined in section 138 of the Road Traffic regulation act 1984 as any goods vehicle which has an operating weight exceeding 7.5 tonnes, can use this service to get an electronic access permit if you are departing from Port of Dover or Eurotunnel.

Start now >

Country groups in British Isles

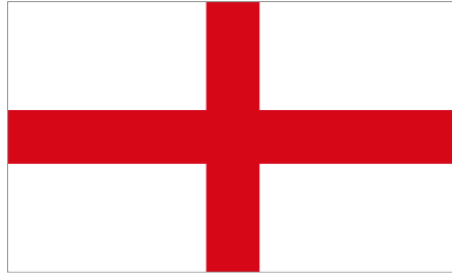
United Kingdom

Island of Ireland



Northern Ireland

Great Britain



England



Scotland



Wales



Republic of Ireland

Status of countries after 01 January 2021

	Participation EU customs union	Participation EU market regulations	Participation Single epidemiological unit	Participation UK trade deals	Participation Common Travel Area
Great Britain (Eng, Scot, Wales)				✓	✓
Northern Ireland		✓	✓	✓	✓
Ireland	✓	✓	✓		✓

Northern Ireland – what has been agreed

Free market access for goods, NI to GB

Most goods leaving NI have free access to GB, even if they are routed via Ireland

“Anti-avoidance” measures will apply, so only genuine NI goods will benefit

Strict *“qualifying rules”* will determine what counts as an NI product

Zero tariffs on trade within the UK

No tariffs will be paid on trade between NI and GB, in either direction

Exception – goods expected to enter the EU, or at risk of doing so may be tariffed

Traders sending goods from GB to NI will use a *new “UK Trader Scheme”*

Goods travelling from GB to NI need not go directly – they can transit via EU

Support for the agri-food trade

Island of Ireland will be managed as a single epidemiological unit for animal and plant health

Some (minimal) checks and documents will be needed for agri-food passing from GB to NI

Named *“authorized traders”* will have a 3m grace period in which no EHCs will be needed

Restricted chilled meat products can continue to move from GB to NI until at least Jun 2021

A new *Movement Assistance Service* will provide support to agri-food businesses

Data security – decision by EU Commission is outstanding

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Canada continuation trade deal agreed in principle



Asian nations have agreed a new trade deal

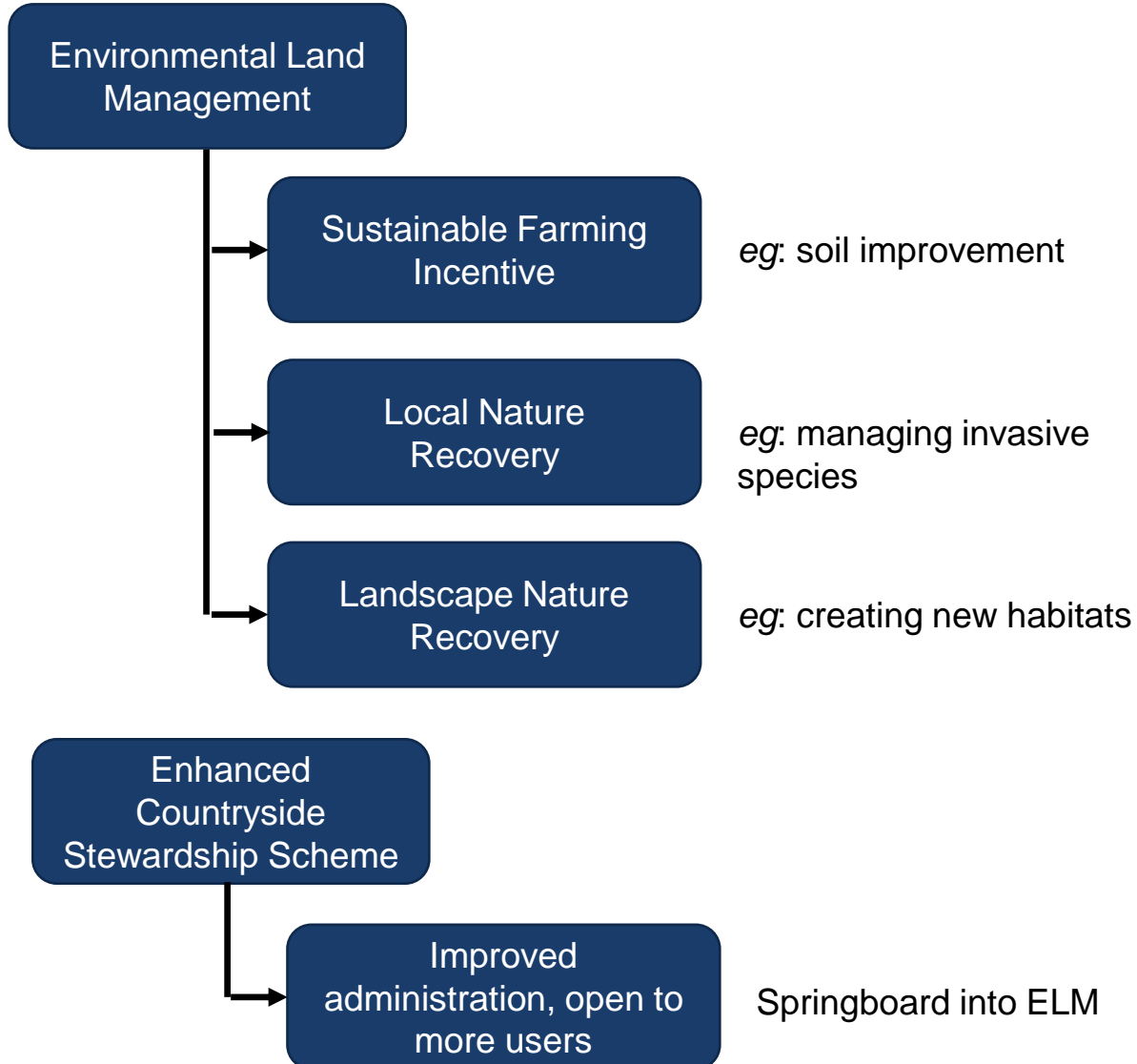


More details of post-EU agriculture policy have emerged

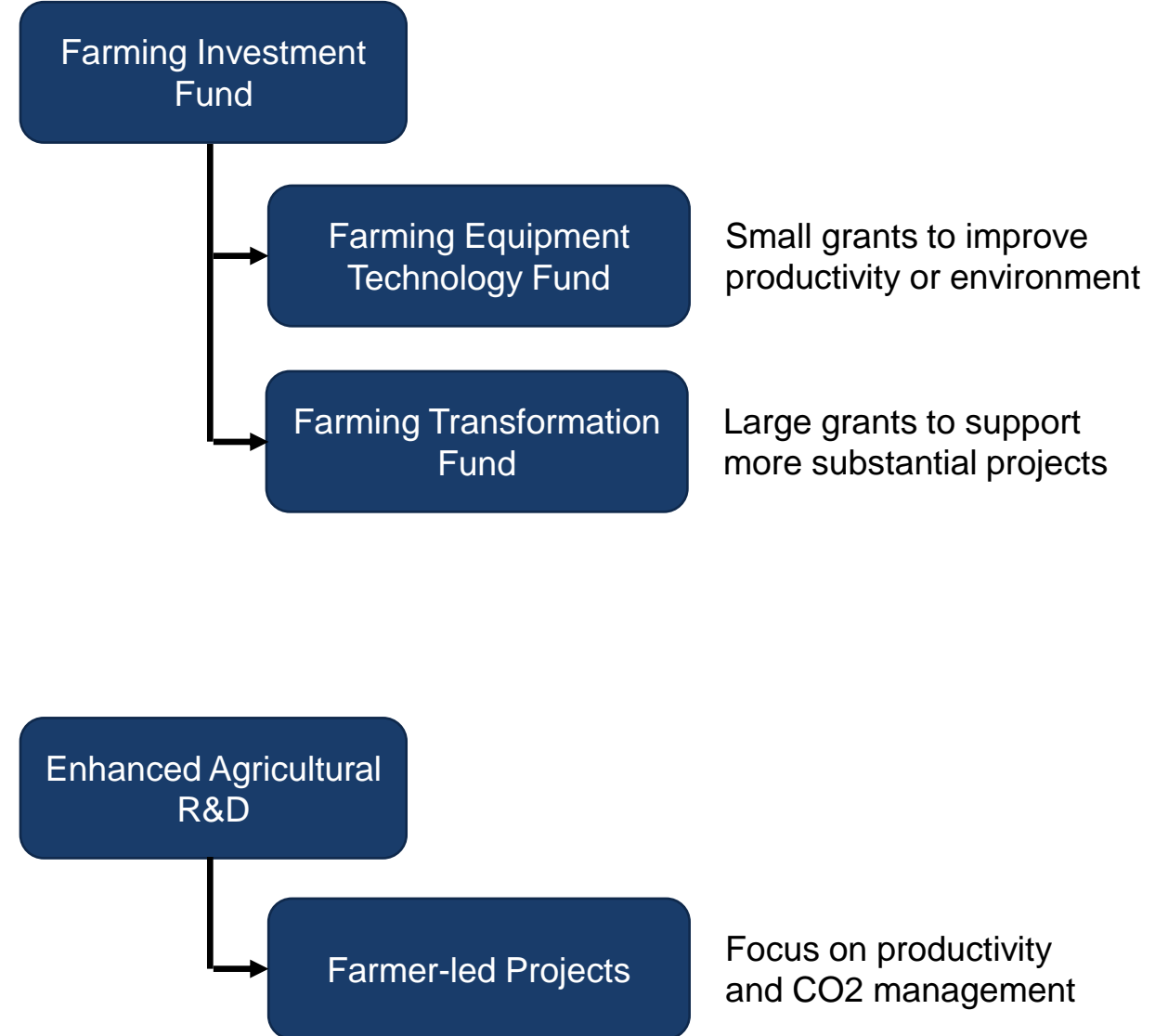


Policy will focus on environment and productivity

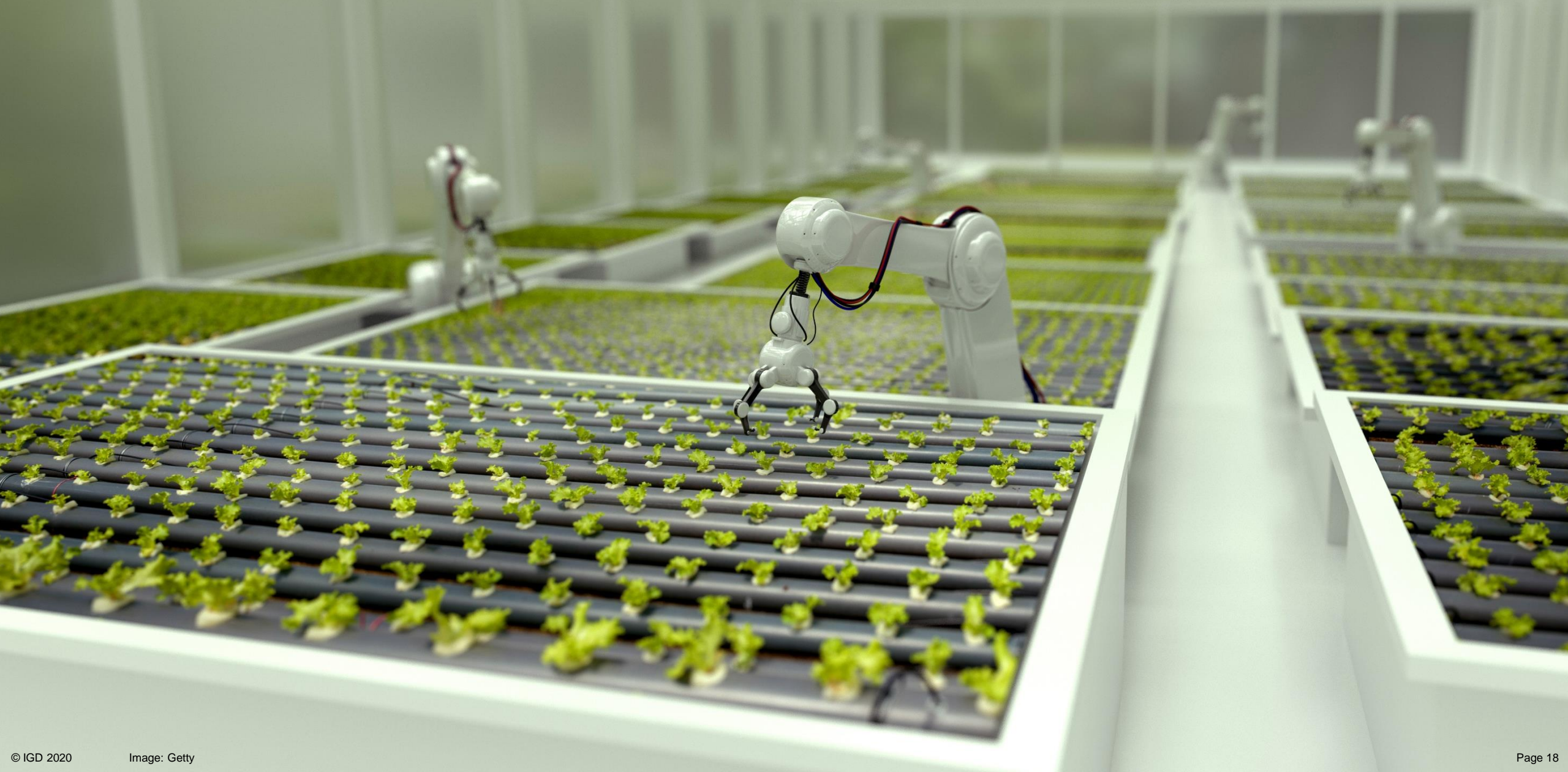
Environment



Productivity and prosperity



The new policy is intended to transform agriculture



2. FAQs

Labelling – timescales for change

	Goods sold in GB	Goods sold in EU	Goods sold in NI
Transition to new food labelling standards	Gradual Complete by 30 Sep 2022	Immediate Complete by 01 Jan 2021	Uncertain Policy under development

Labels must be:

- Legible
- Permanent
- Understandable
- Visible
- Not misleading

Labels must show:

- Product name
- Best before / use by date / lot number
- Warnings
- Net quantity
- Ingredients
- Food business operator (FBO) address
- Country of origin
- Any special instructions / warnings
- Health and ID marks, if needed
- Packaging material compliance mark (glass and fork)

Labelling – FBO addresses

	Goods sold in GB	Goods sold in EU	Goods sold in NI
Food business operator (FBO) address	Address must be in UK	Address must be in EU	Address must be in either EU or NI



Labelling – health marks and country of origin

	Goods made in GB / sold in UK	Goods made in GB / sold in EU	Goods sold in NI / sold in EU
Health marks	<p>May not use “<i>EC</i>”,</p> <p>Must use “<i>GB</i>”, “<i>UK</i>” or “<i>UNITED KINGDOM</i>”</p>	<p>May not use “<i>EC</i>” or “<i>UK</i>”</p> <p>Must use “<i>GB</i>” or “<i>UNITED KINGDOM</i>”</p>	<p>Must use “<i>UNITED KINGDOM - NORTHERN IRELAND</i>” or “<i>UK-NI</i>” <u>and</u> “<i>EC</i>”</p> <p>Products may not have multiple health marks</p>
Country of origin	<p>GB origin goods must not be labelled “<i>EU</i>”</p>	<p>GB origin goods must not be labelled “<i>EU</i>”</p> <p>NI origin goods must be labelled “<i>EU</i>” or “<i>UK-NI</i>”</p>	<p>GB origin goods must not be labelled “<i>EU</i>”</p> <p>NI origin goods must be labelled “<i>EU</i>” or “<i>UK-NI</i>”</p>

Labelling – protected geographical indication (PGI)



EU logos



New UK logos



Made in specific area



Made in specific area
Has distinct characteristics



Has distinct characteristics
Not associated with a specific area

Labelling – eligibility for PGI schemes

	EU protection scheme, up to Dec 2020	EU protection scheme, after Jan 2021	UK protection scheme from Jan 2021
GB goods, registered before Dec 2020	Current system	Remains protected	Automatically protected
GB goods, registered after Jan 2021			Only option for new registrations
EU goods, registered before Dec 2020	Current system	System continues	Optional
EU goods, registered after Jan 2021		System continues	Optional
NI goods, registered before Dec 2020	Current system	Mandatory for goods on sale in NI, if registered with EU	Optional
NI goods, registered after Jan 2021		Mandatory for goods on sale in NI, if registered with EU	Optional

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Goods “on the market” - meaning

*“.. supply of a good for distribution, consumption or use means that an **existing and individually identifiable good**, after the stage of manufacturing has taken place, is the subject matter of a written or verbal agreement between two or more legal or natural persons for the transfer of ownership ... ”*

Article 40, Withdrawal Deal



Export health certificates



Export health certificates – changing requirements

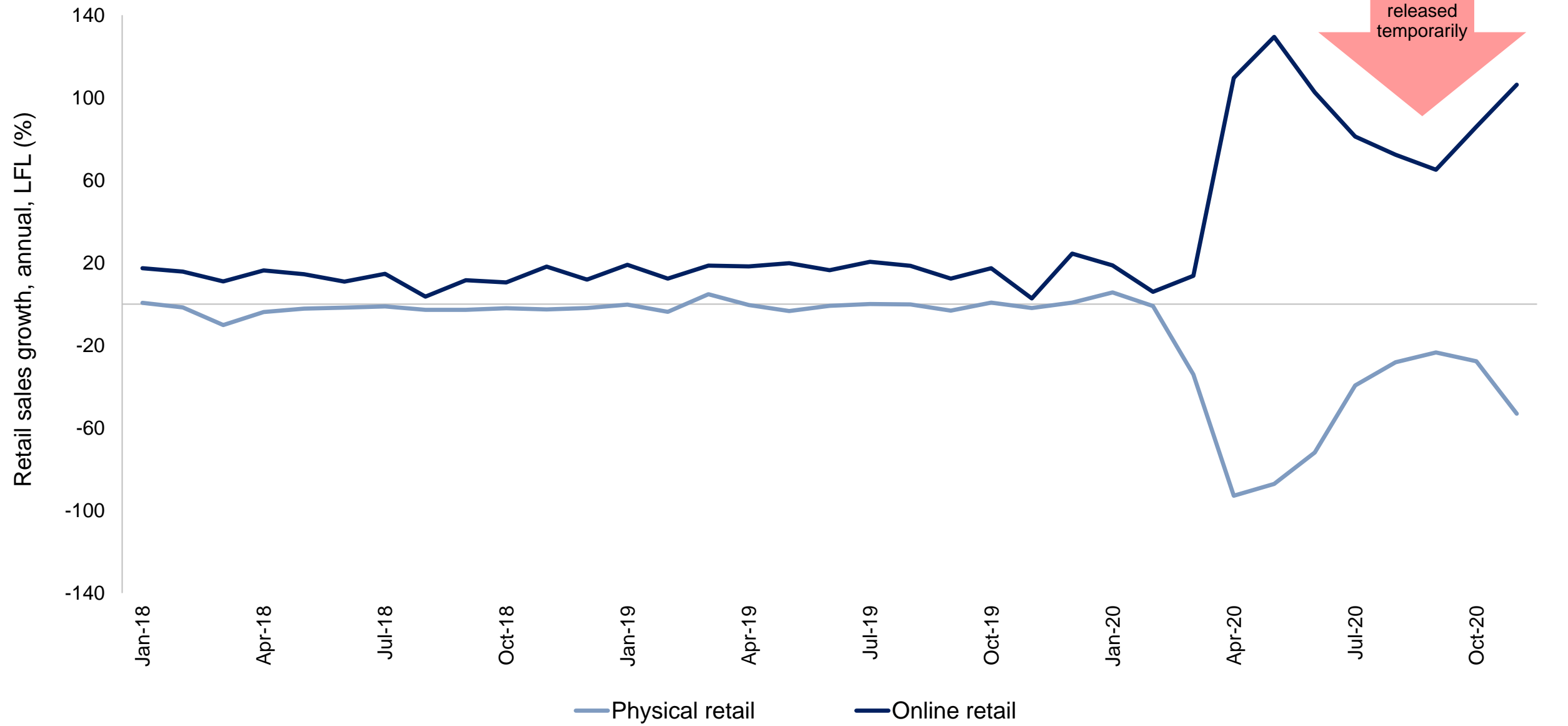
	Needed now	Needed after EU Exit
UK imports from EU		✓
UK imports from beyond EU	✓	✓
UK exports to EU		✓
UK exports to beyond EU	✓	✓
GB exports to NI		Not initially
NI exports to GB		

Wooden pallets – need for heat treatment

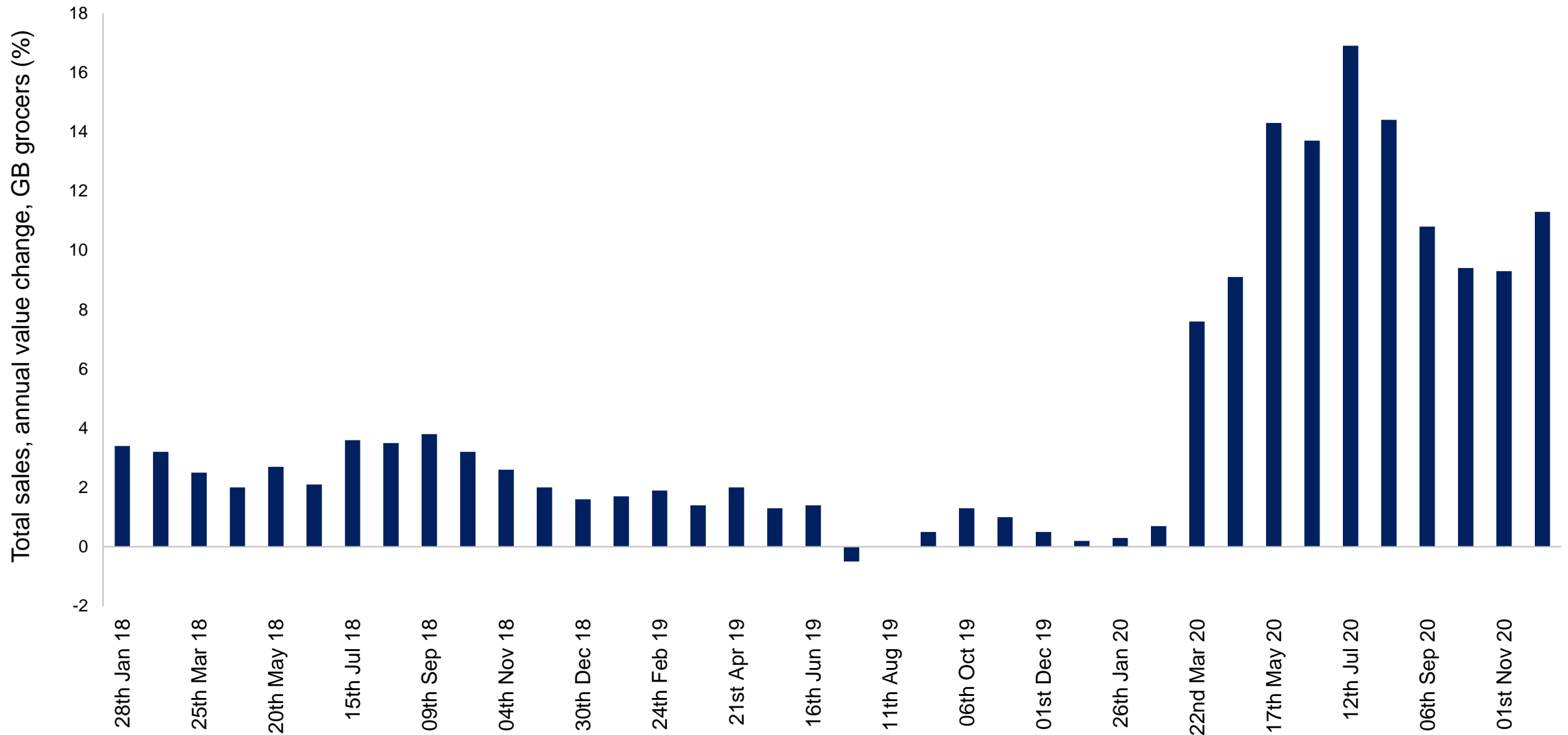


3. Economic performance

Coronavirus accelerated channel shift



Overall food retail demand is still up strongly year-on-year



4. Economic forecasts

A Spending Review replaced the Autumn Budget Statement



Key points from Spending Review 2020 (SR20):

- The *National Living Wage* (NLW) will rise from £8.72 ph to £8.91 ph from April 2021 and the age to qualify will fall from 25 to 23 years
- The *National Minimum Wage* (which will apply to those under 23) will also rise, with different increments according to age and status
- Limited wage increases for the public sector – only medical staff and those on the lowest wages can expect more in 2021 money
- A new £2.9bn fund will be set up to help bring up to 1 million long-term unemployed people back into the workplace
- Funds have been allocated to support the new 10-point sustainability plan, including development of zero-emission freight
- £220m will be allocated to feeding vulnerable children during school holidays
- Further funds allocated to preparing for the end of the *Transition Period*, with focus on customs infrastructure and personnel
- Financial support will be given to developing waste reduction approaches including work to reduce food waste

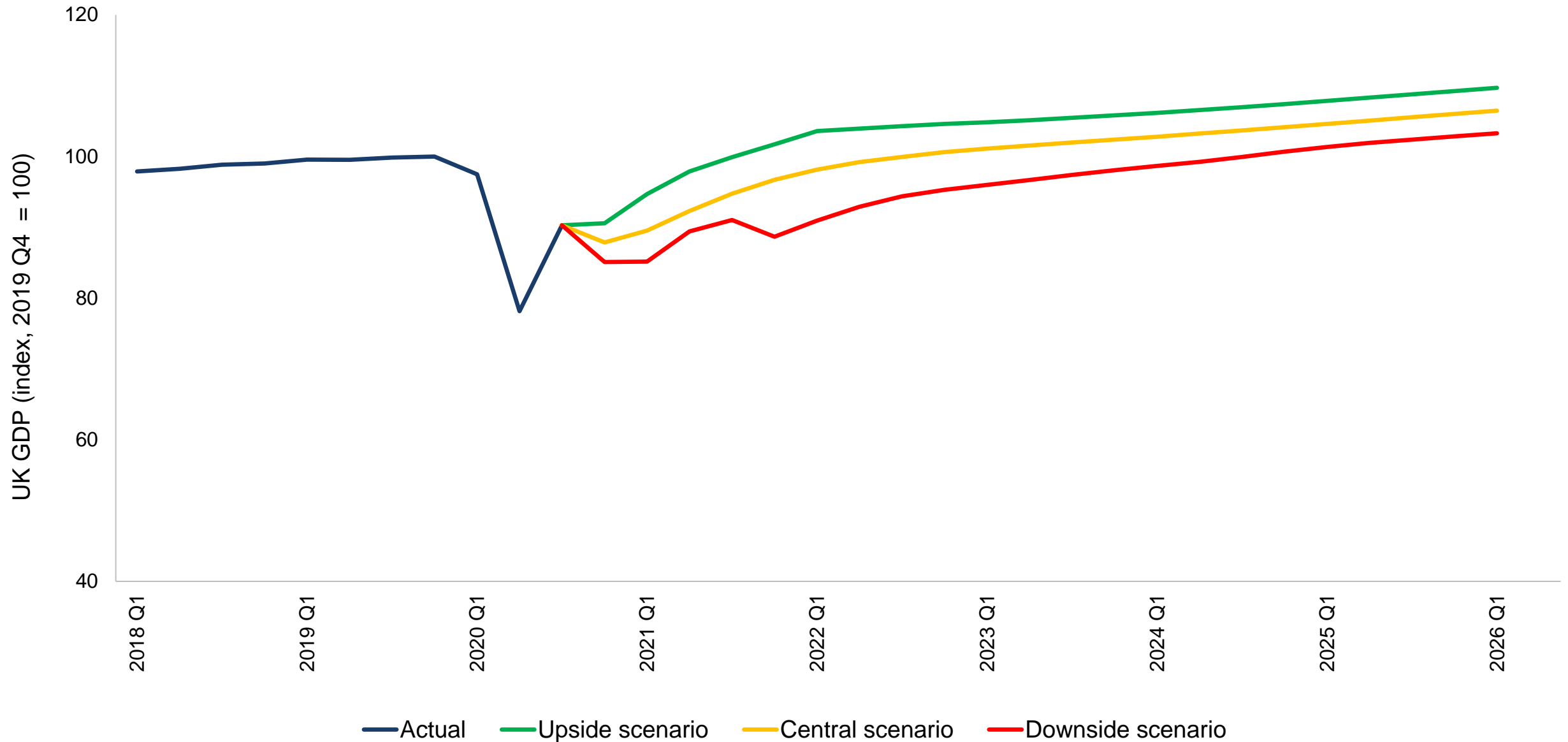
OBR forecasts – Coronavirus scenarios

	Upside	Central	Downside
Lockdown ends	02 Dec 2020	02 Dec 2020	02 Dec 2020
Test, trace and isolate	Effective	Partly effective	Ineffective
Health restrictions, lockdown to vaccine	Low - medium *	Medium - high *	Very high **
Vaccine rollout	From Spring 2021	From mid-2021	Ineffective!

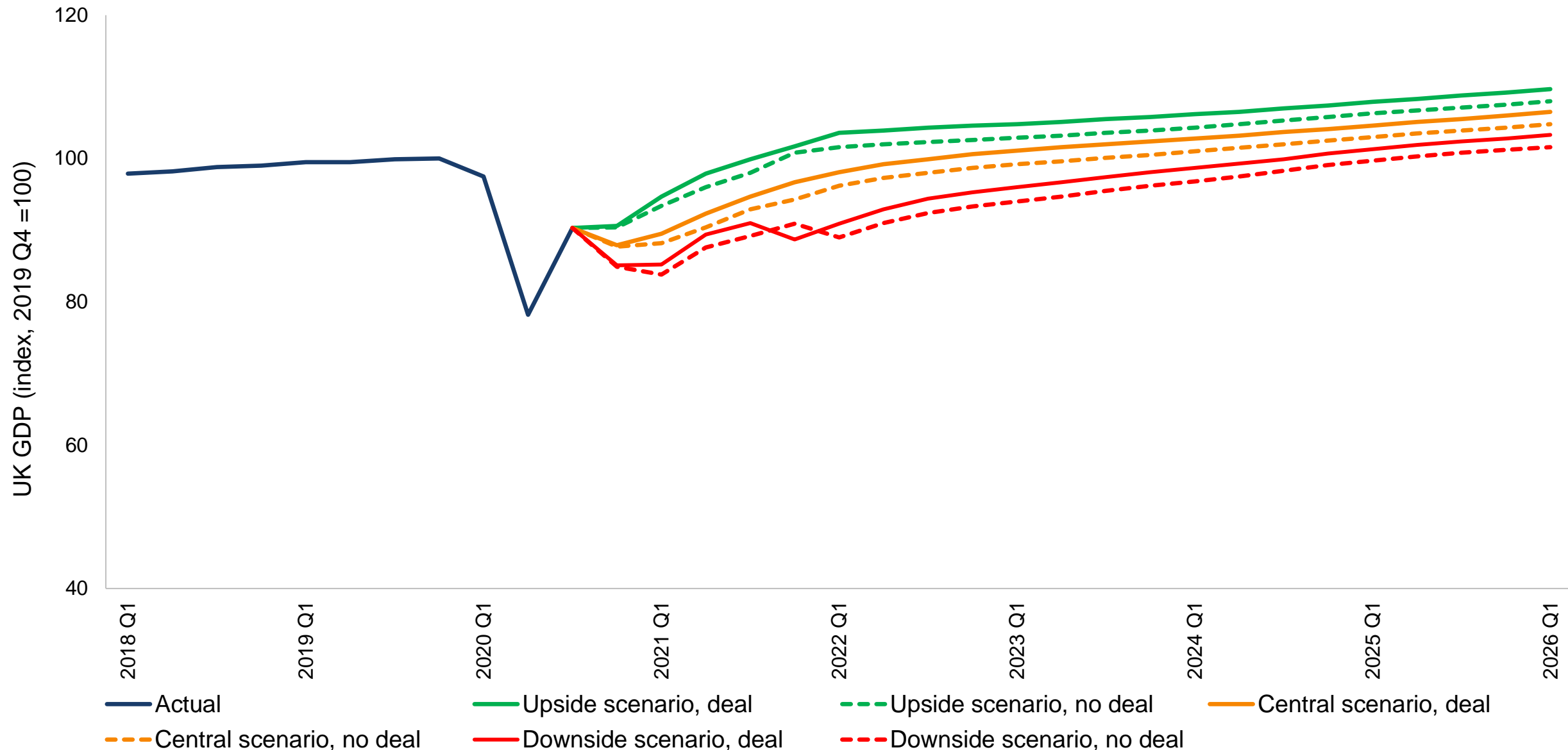
* “*Low*”, “*medium*” and “*high*” correspond to October 2020 Tiers 1, 2 and 3 in England

** “*Very high*” is between October Tier 3 and November Lockdown in England

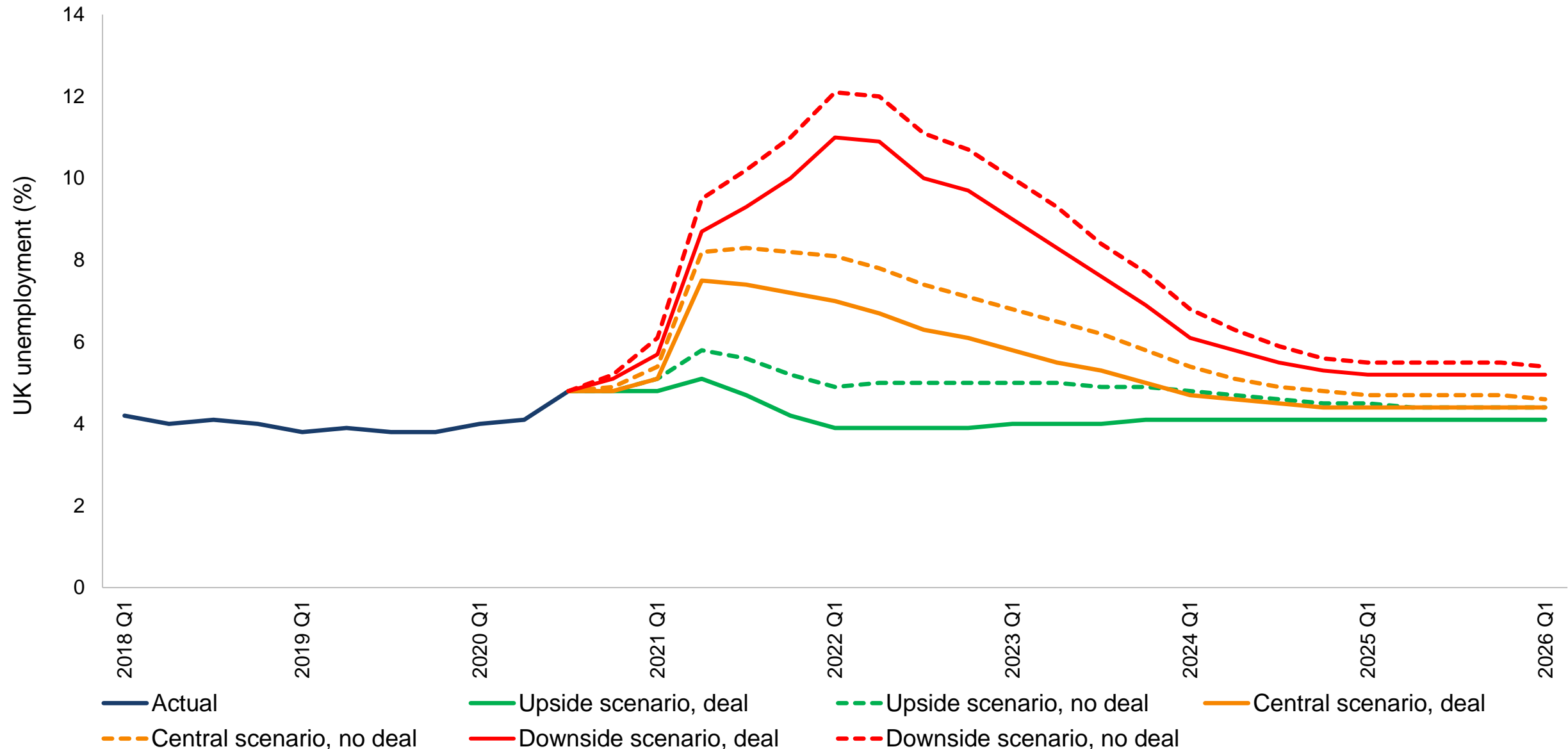
OBR forecasts – GDP (with trade deal)



OBR forecasts – GDP (with / without trade deal)



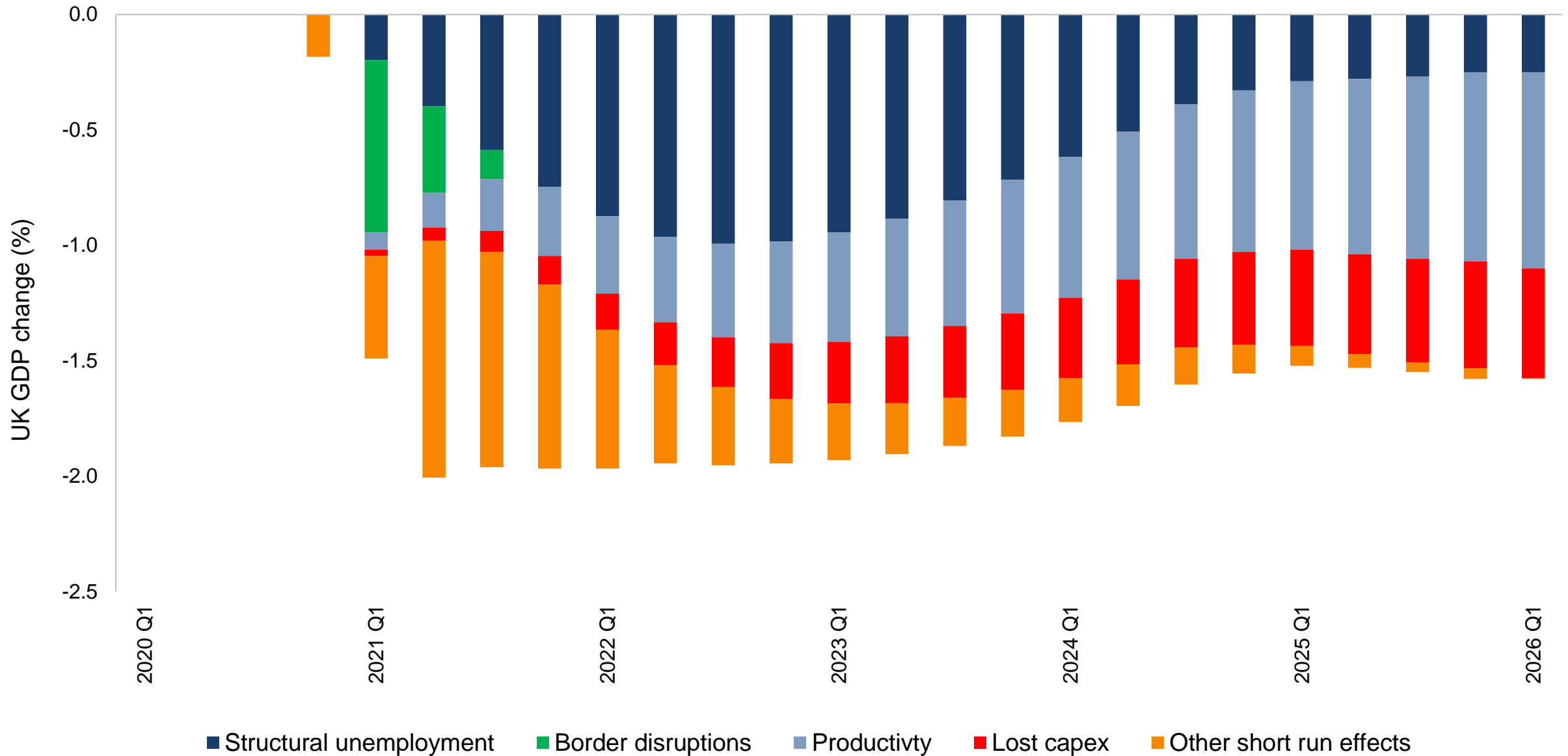
OBR forecasts – unemployment (with / without trade deal)



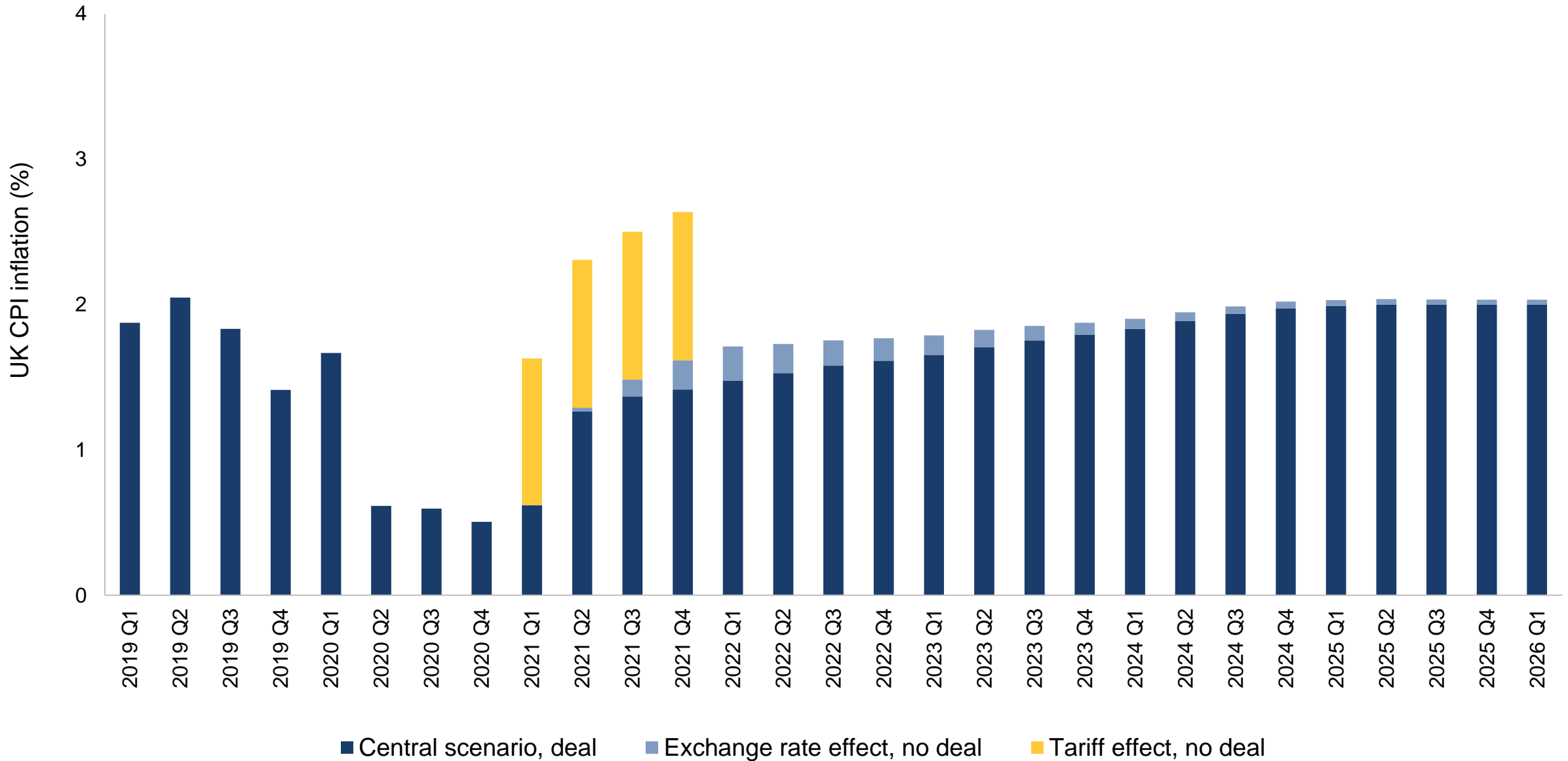
“No-deal” exposes more forms of business activity



“No-deal” central forecast – breakdown of GDP impact



“No-deal” central forecast – breakdown of CPI impact

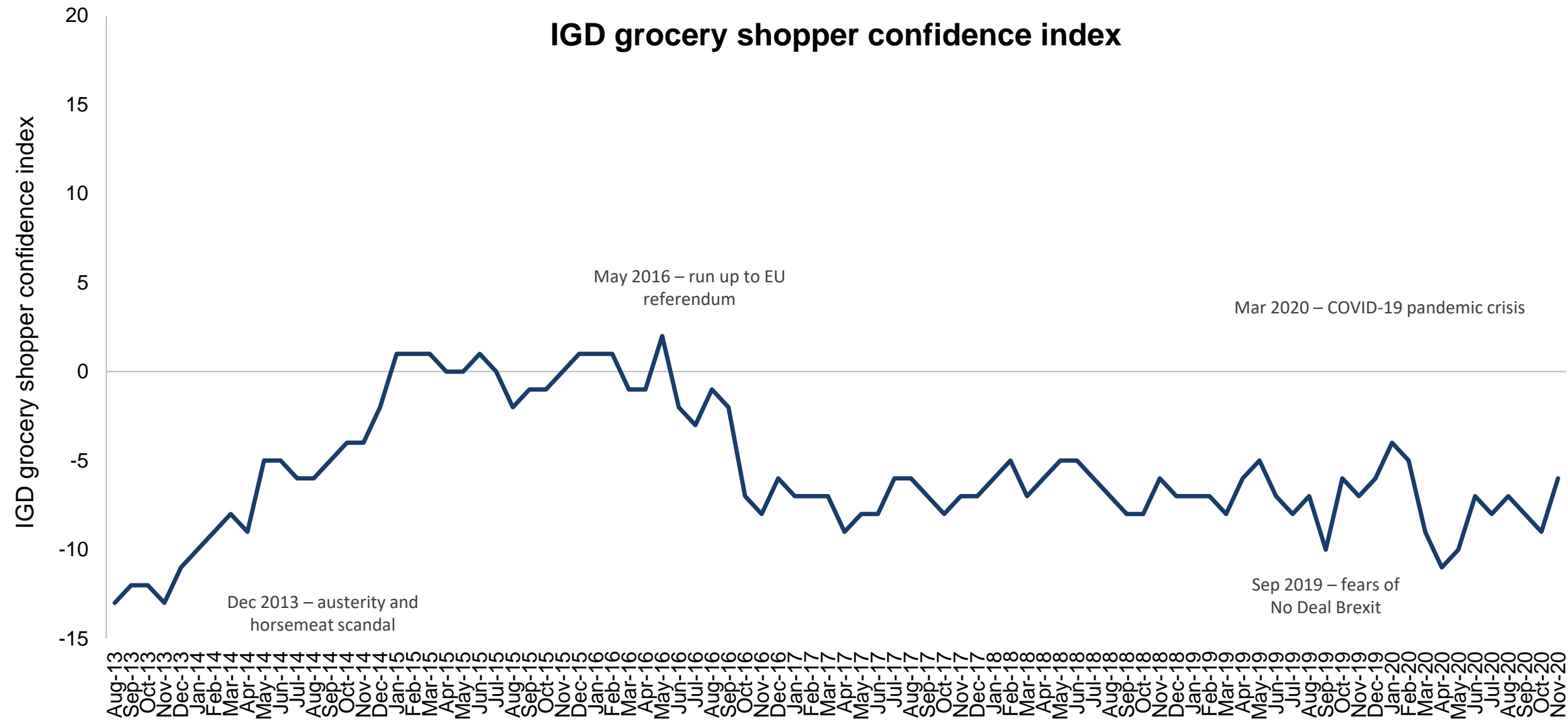


5. Shopper sentiment

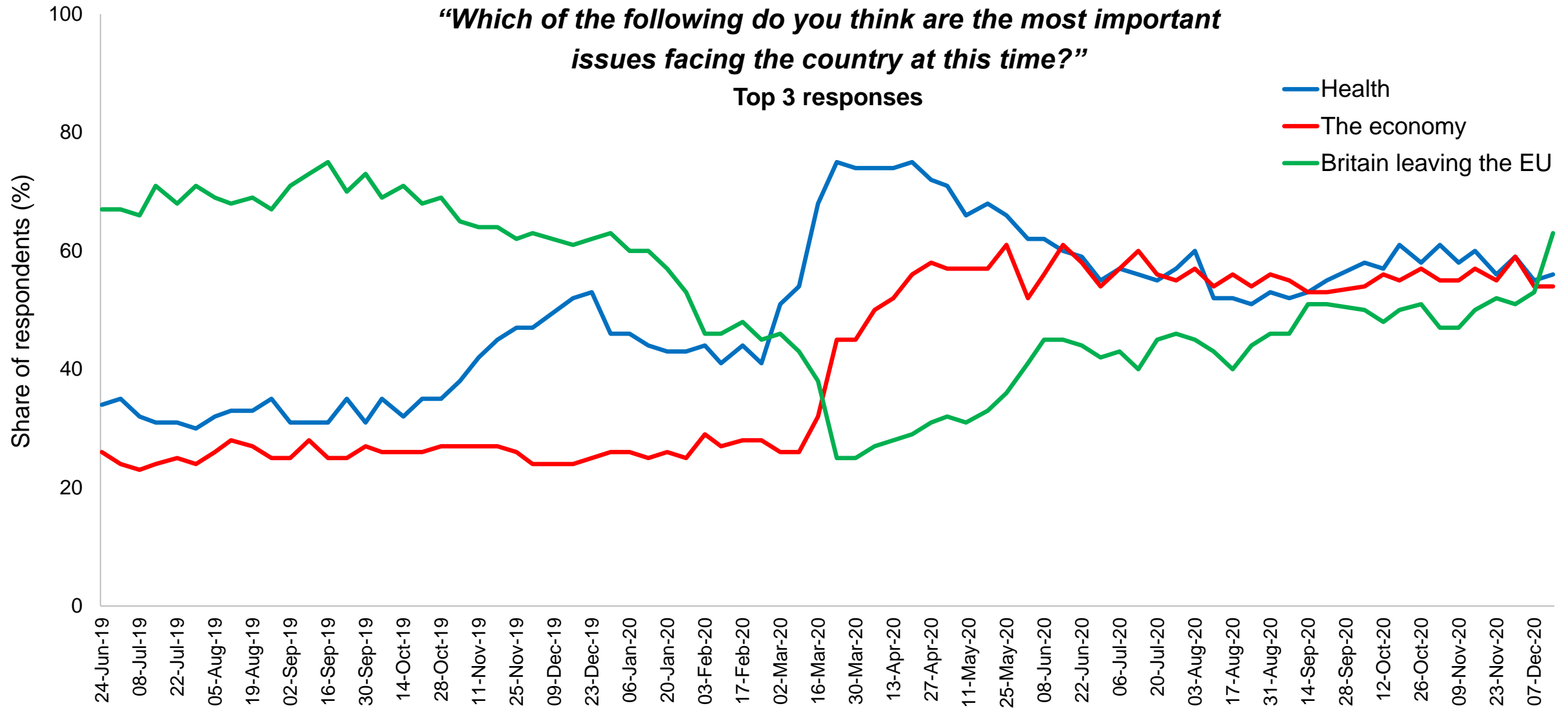
Shoppers' focused shifted in November



Shopper confidence increased last month

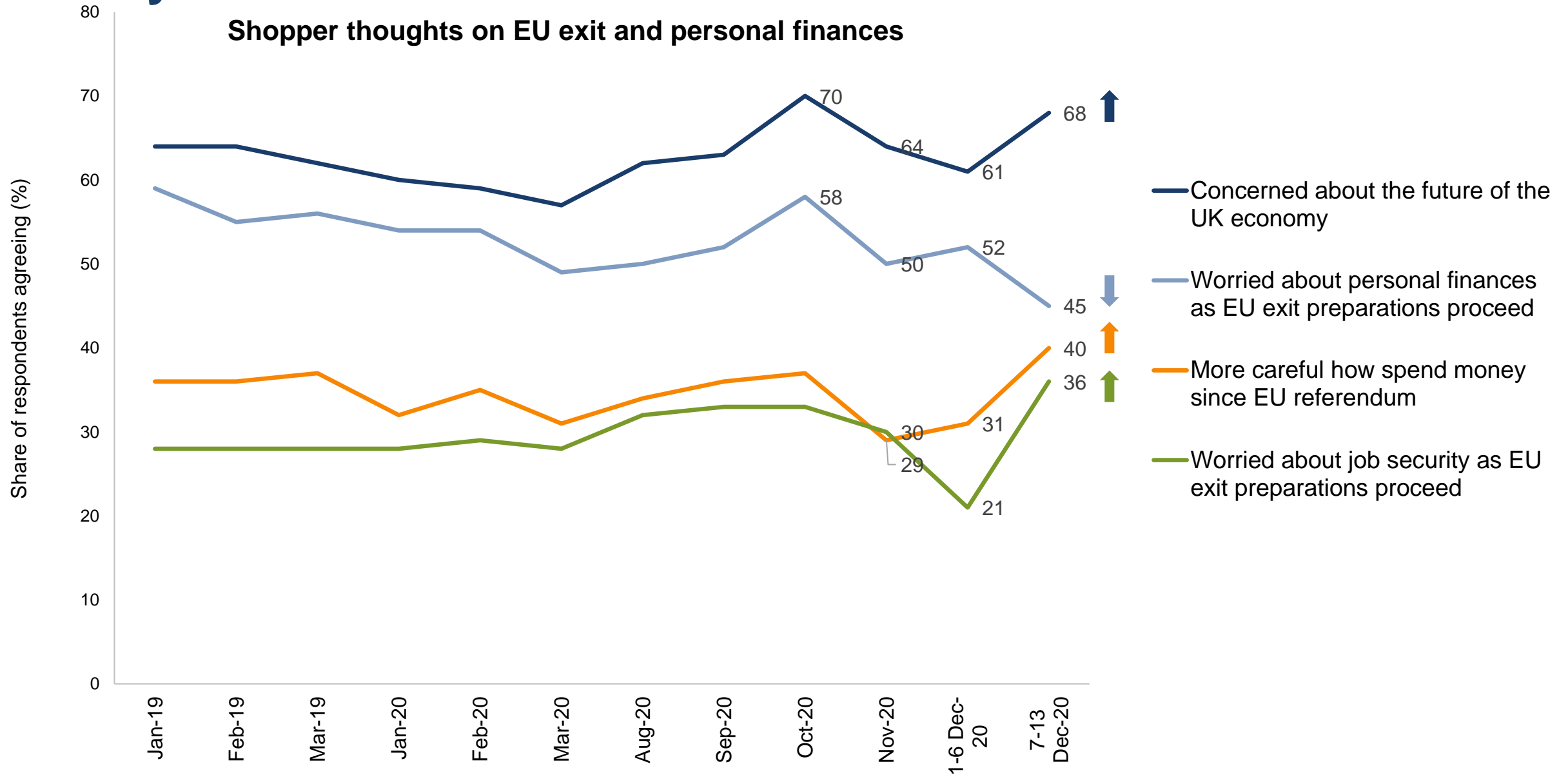


EU exit now the top issue



Concerns increasing about job security and spending money due to EU Exit

Shopper thoughts on EU exit and personal finances



Increased concern for rising food prices due to EU Exit



↑ **60%** Higher than normal price increases



↑ **38%** Having to eat lower quality food and grocery products

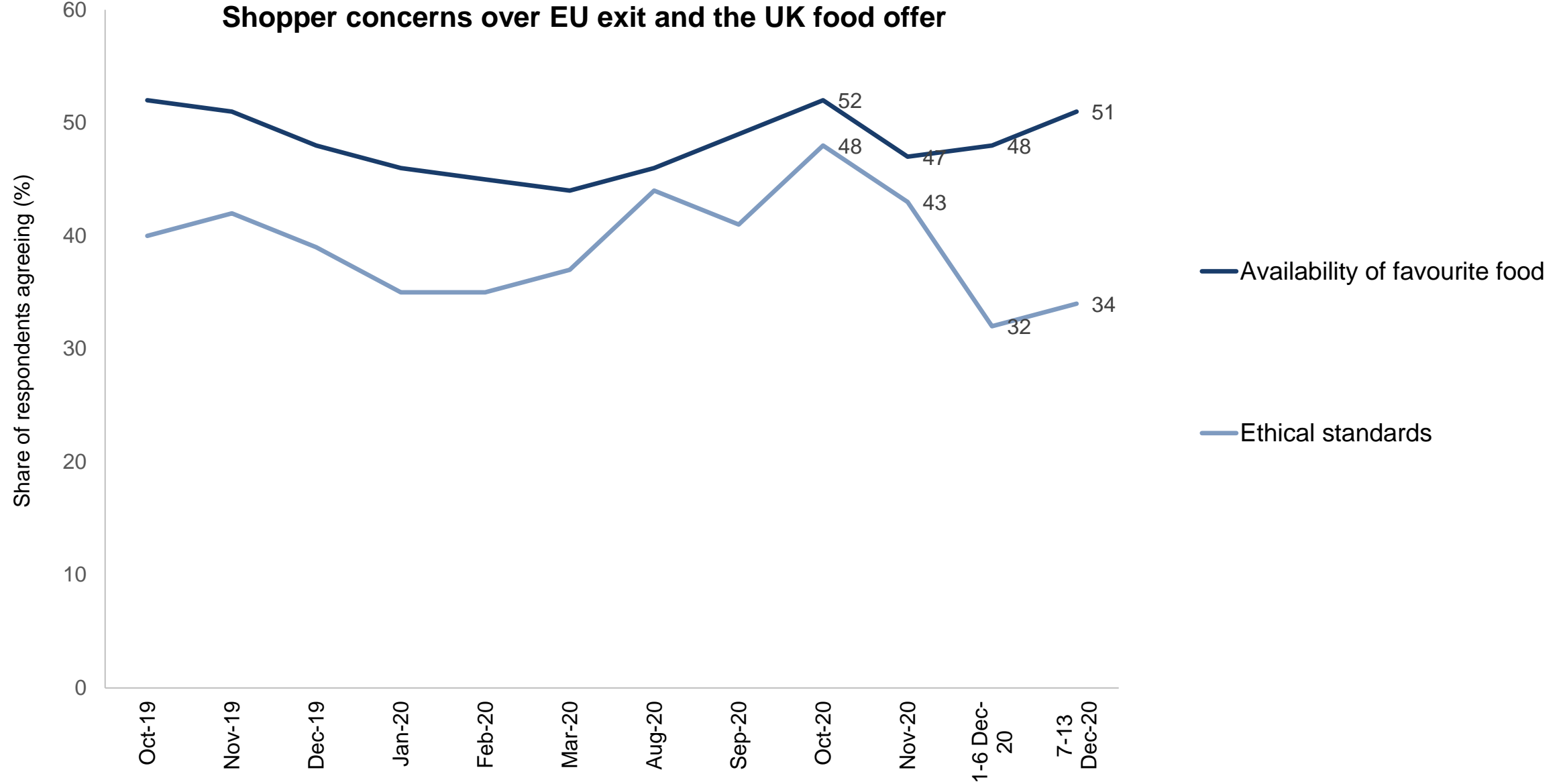


↑ **35%** Having to stock up in case of food shortages



↑ **32%** Having to eat a less healthy diet

Half are concerned about availability



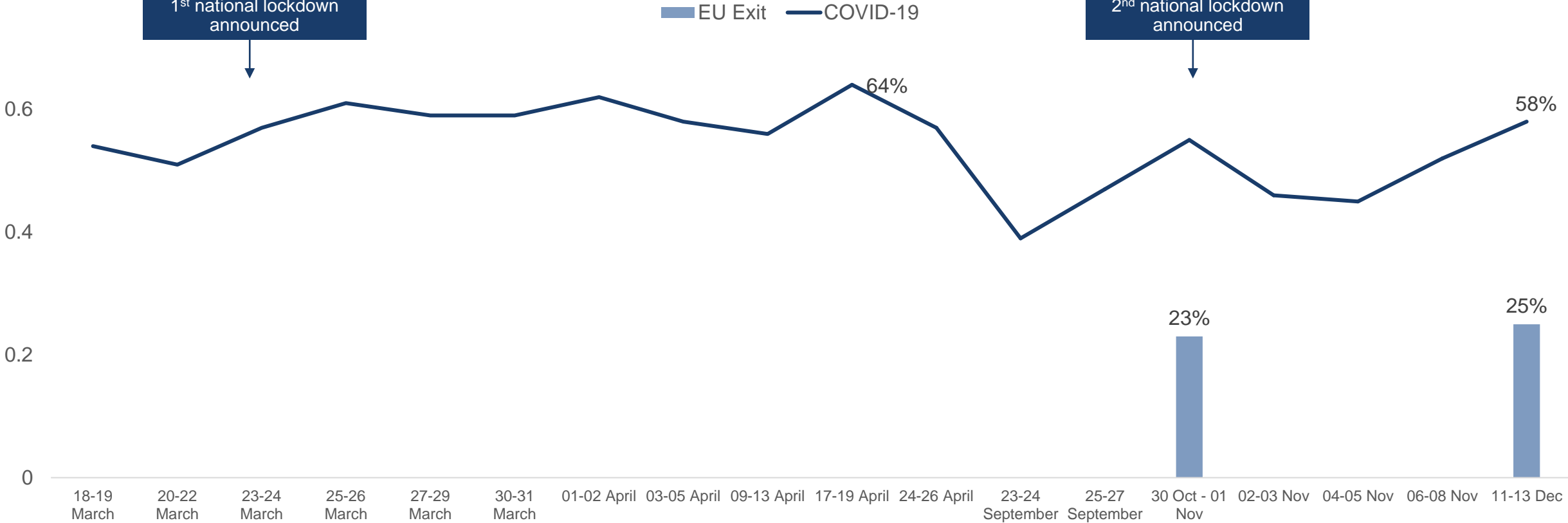
Current shopper stockpiling – COVID-19 vs EU Exit



% of adults who have recently stocked up on food and grocery categories, or where they have purchased more than they normally do

23/03
1st national lockdown announced

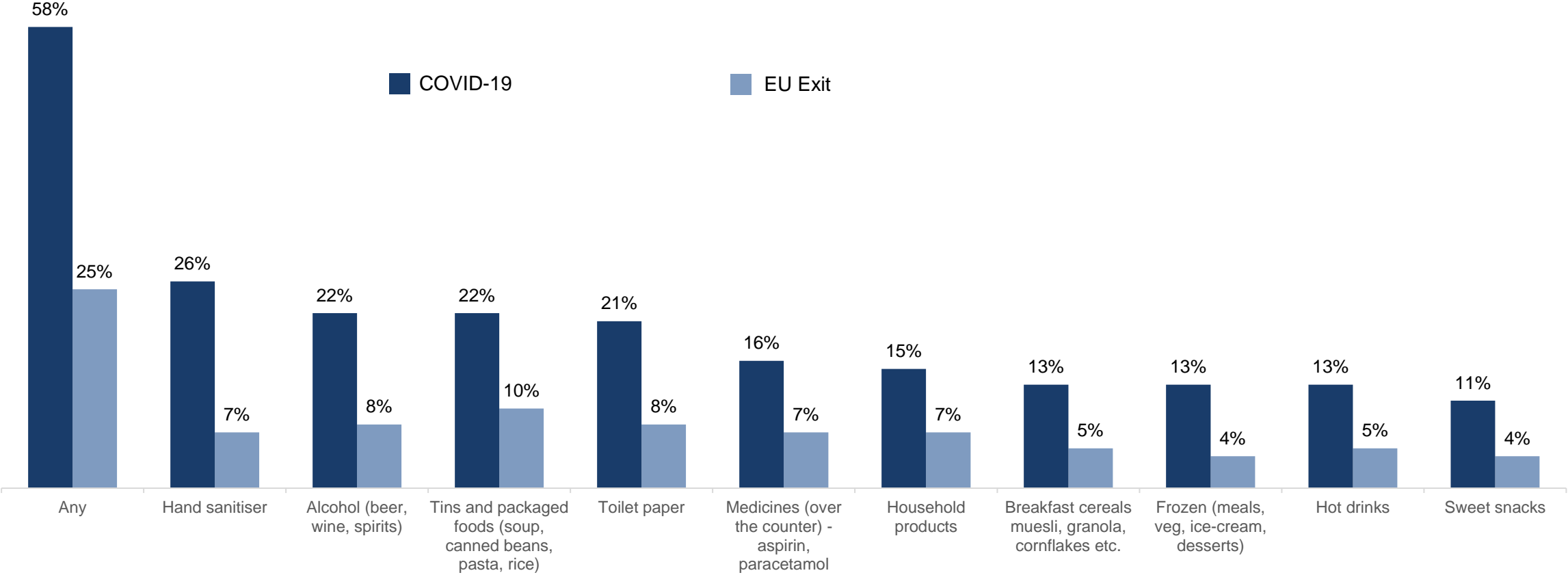
31/10
2nd national lockdown announced



Similar categories being stockpiled for COVID-19 as EU Exit



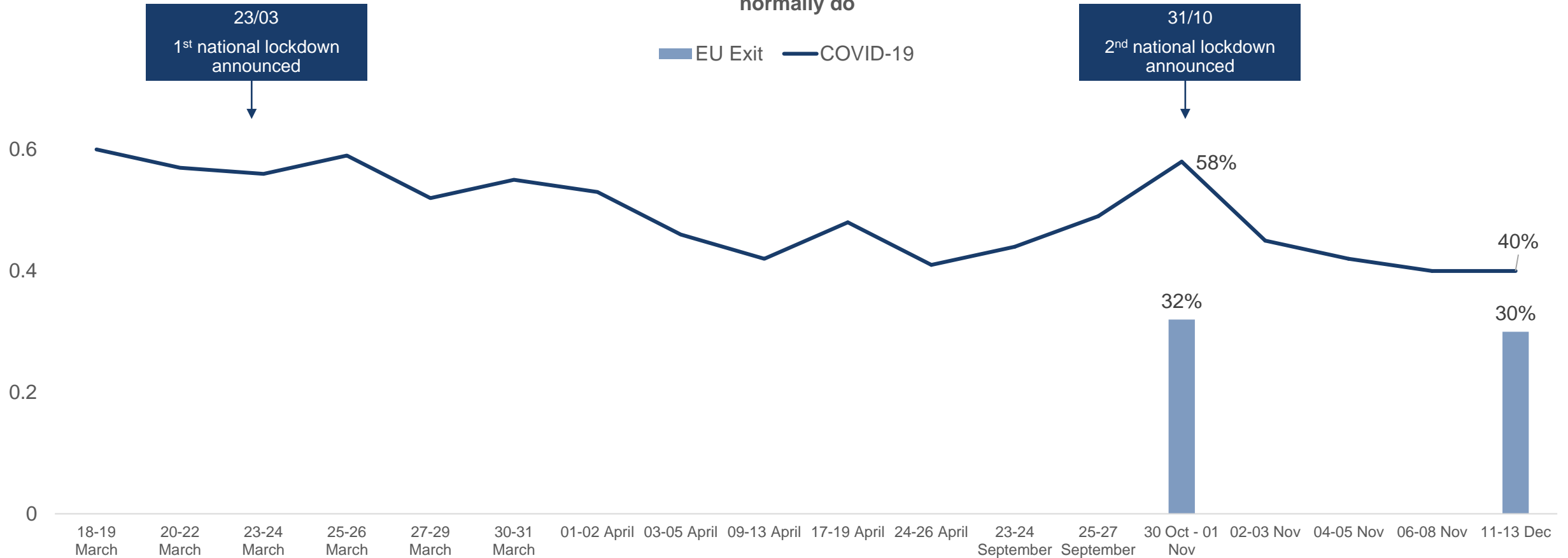
% of adults who have recently stocked up on food and grocery categories, or where they have purchased more than they normally do



Planned shopper stockpiling – COVID-19 vs EU Exit



% of adults who will or might stock up on food and grocery categories, or where they will or might purchase more than they normally do



5. Q&A

Any questions?



That's all folks!

The End