

BREXIT

The UK left the EU on 31 January 2020, and the current transition period, during which there has been little if any practical change, finishes at the end of the year on the 31st December.

Negotiations on a new Free Trade Agreement (FTA) between the EU and UK are underway. If these talks fail, the UK will begin trading with the EU on a WTO and third country basis, the so-called 'no deal' option. This would lead to trade between the UK and EU becoming subject to tariffs and new regulatory requirements.

Most UK businesses, including Metalweb, hope that we do not get to this point, but we have been taking steps to ensure business continuity in that eventuality. In addition, there will be many changes regardless of whether a new FTA is concluded, these include new customs paperwork. As a current importer and exporter of goods we already have our EORI (Economic Operators Registration Identification Number), which will be essential to the movement of goods. To ensure we comply with legislation and provide all our customers, clearing agents and freight forwarders with the necessary information, we have updated our ERP system and from the 1st January, the commodity codes and material origin will appear by line or batch on all despatch paperwork. The incoterms relating to each order will be clearly present from sales acknowledgement through to despatch paperwork. Clearly, we expect some disruption in the first few months and to negate this as much as possible, we have also engaged the services of a customs clearing agent, to assist us in clearing goods during what will be a confused period.

Metalweb have a long history in import and export, including the supply of controlled goods. To provide this service without disruption, we have also applied and been awarded a OGEL licence (Open General Export Licence), which will allow us to import and export controlled goods after the 1st January 2021.

Our Brexit preparations are being given the highest priority. These include resource planning to ensure we have sufficient staff to deal with increased import legislation, where necessary adjusting our systems and processes and working with our supply chain to minimise disruption to our operations.

We have already increased inventory in the last quarter of 2020, to ensure continuity of supply to our customers in the first quarter of 2021. This will be adjusted as we move closer to the deadline date and more detailed outcomes are available.

Finally, we will be reviewing and updating our Brexit strategy on an ongoing basis and will inform you of any fundamental changes as we move towards the end of the year.

Yours Sincerely

Karl Weston
Managing Director