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Trade as we leave the EU, Turkey and Travel

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The latest International Trade Club Breakfast meeting provided guests with an update on the all-important Brexit negotiations from Anastassia Beliakova, Head of Trade Policy at the British Chambers of Commerce, followed by an insight into trading with Turkey and the world of business travel, ensuring the safety of your employees.

Anastassia Beliakova, Head of Trade Policy at the British Chambers of Commerce provided businesses with an update on Brexit, at a time of turmoil within Government with resignations by ministers and still significant uncertainty about the future UK-EU relationship”.

She said, “There are now just 3 months to finalise negotiations, which are meant to just cover exiting the EU, not our future trading relationship.” She added, “However, we do know what the UK Government wants, as its White Paper on future trading terms talks about a free trade area for goods, with no border checks between the UK and the EU, as well as harmonisation of goods regulations, including for agriculture”.

Anastassia pointed out that whilst the UK is far behind where it should be at this stage of the negotiations, the EU, for their part, are being too inflexible. Something will need to give with either the UK abandoning its red lines or the EU softening its stance on the ‘four freedoms’, and it is difficult to see how and when compromise will be adopted, if at all.

Looking at the international trade agreements the UK is part of via the EU, the plan is that nothing will change during the transition period. During that period the UK will seek to replicate these agreements into bilateral deals; the UK can also negotiate but not sign any new trade agreements with other countries (such as the US, New Zealand, Australia) during the transition.

Certificates of Origin were discussed with the view being that these will simply be renamed but used in the same way as today for trade with non-EU countries; if the UK is in a de facto customs union with the EU, whether it is called that or not, there will be no need for origin or customs checks with the EU.

The British Chambers of Commerce is lobbying for Government to keep consulting with businesses in the negotiations, keep the approach to good standards as today, as well as seek to replicate all the existing trade agreements without losing any preferential terms of access. They have stressed that businesses need time to adapt to new trading terms and that only one set of changes to our relationship with the EU is essential.

In conclusion, if the UK and the EU can reach both an agreement on the exit terms, as well as a shared understanding about the future relationship, there will be a status quo transition until the end of 2020 – however, ‘no deal’ is not off the table. The withdrawal agreement does not need to be signed off by all 27 local EU parliaments, but there is a question as to how the UK Parliament will vote when faced with the Withdrawal Terms in Autumn – which means that unfortunately there are many more Brexit battles looming, and certainty is ever elusive.

Turkey

Daniel and Imran Waller of the School of Language and Global Studies at UCLAN provided advice on how best to build relationships and do business in Turkey. They began by testing the audience with a few questions about the country. They explained that Turkish was a phonetic language and that it was important to learn a few words of Turkish, for example 'Merhaba' which means Hello, and to learn how to pronounce the names of anyone you are meeting.

The companies at the meeting learned that Turkey was a growing economy particularly in the major cities of Istanbul and Ankara. The economy grew by 7% last year and is expected to grow by 4% this year. Daniel told us "Turkey has a mainly young population and is far more developed than the former Eastern European countries and the government is keen to develop trade with Turkey post Brexit." He added "Their banks remained stable throughout the financial crisis."

Top tips for success included developing relationships with people first. It is a friendly country that likes doing business but often getting an initial introduction through a 3rd party works best. Meetings are often quite formal and often the first meeting will contain a lot of small talk – socialising is an important part of doing business there. Turkish companies tend to be very structured with older people at the head of the business.

Travel

Steve Hall, Managing Director of Mint Business Travel, explained how he had set up his business to support SMEs engage successfully overseas. His experience came from working with large companies including UBS. He recalled the London Bombing in 2005 when UBS used their processes to locate all their employees and ensure they were safe. These same processes are used to look after their employees who travel the globe.

Quoting statistics that showed that 46% of travellers did not have a travel policy and 22% of travellers have no idea what to do in an emergency. Alarming, 54% do not carry a specific phone number to use in an emergency. Given that there were 5 major terrorist incidents in the UK alone in 2017 knowing what to do is essential.

It is important to clarify who is responsible for what, particularly in grey areas such as when one of your employees adds a couple of personal days to one of their trips abroad. It is important that companies do what they can to mitigate these risks. It is essential to understand the risks in the country you are travelling to, you need to know what to avoid, to regularly check the FCO website, perhaps have a mobile phone tracking system for your employee. Most importantly do an internal assessment of the risks prior to departure.

You can now reserve your place at the next breakfast meeting on Thursday 4th October 2018 with guest presenters from Manchester Airport Groups, Enterprise Europe Network and International Trade Club Award winners Pronar UK Ltd contacting Marie White on m.white@chamberelancs.co.uk for more information.

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The International Trade Club is the oldest in the country and has a strong heritage built up over the past sixty years in helping manufacturers in East Lancashire import and export. Membership benefits include quarterly meetings with access to specialist speakers and the opportunity to take part in the annual International Trade Awards.

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