

A world of change now we're leaving the EU

This month's International Trade Club Breakfast meeting brought together a number of specialists who were able to provide a rare glimpse at the sort of future businesses can expect once we have exited the EU. Chamber members also provided advice and guidance of trading in the wider world.

Professor Fiona Smith is Professor of International Economic Law at the University of Warwick's School of Law is an expert on World Trade Organisation (WTO) rules which may be the rules that the UK falls back to if no deal on our future trading relationship with Europe is reached.

She told the assembled businesses that our trade with Europe was not evenly spread and that the UK had particular trade deficits with Germany and the Netherlands. Our current position as part of the Single Market and the Customs' Union means we have no tariffs with EU countries but this will change.

Professor Smith said "The WTO, based in Geneva, governs trade relationships between member states. Once we leave the EU we will become a member in our own right."

Rules relating to WTO members are comprehensive and run to over 20,000 pages. Professor Smith added "The WTO schedule is a list of products that are traded and each product has an agreed tariff. The EU has its own schedule that is legally binding. If no agreement is reached the UK will revert to 'Most Favoured Nation' (MFN) status as a member of the WTO and will have to pay the appropriate tariff".

The UK is looking to achieve a bespoke deal with the EU unlike those currently held by Norway and Switzerland which include 'Freedom of Movement' which the UK has ruled out.

Professor Smith told the audience "Following our exit from the EU deals we currently have with non EU countries will no longer be valid and when trading with the EU we will still need to conform with all EU standards."

In conclusion she said "It is not clear whether we can negotiate a trade deal whilst exiting the EU and it may be 2019 before we can start negotiations." She added "We can however expect the EU to take a hard line"

The second speaker of the day was Mike Spicer: Director of Research and Economics, British Chamber of Commerce. Mike represents the BCC externally on business policy and matters relating to local economic development.

Mike informed businesses that much had changed in the past 12 months. He said 'We have voted to leave the EU, triggered Article 50 to begin the process of leaving the EU and now we're in the midst of a General Election campaign.'

Mike told us that one of our major difficulties was that we had a lack of capacity in negotiating trade deals. He said "For the last 40 years the EU has negotiated all our trade deals for us. Capacity is an issue that needs to be addressed"

Mike told the assembled businesses "The British Chambers of Commerce (BCC) had recently produced its manifesto for business which outlined that the election was not just

about Brexit but also investment in infrastructure, taxation including local rates, the high cost of doing business in the UK and regional development once we have left the EU.

BCC has surveyed more than 20,000 businesses and there is a real plea to adopt a pragmatic approach that meets the concerns of business. The Government should seek as much free trade as possible and listen to the Chamber network, which has more international trade experience than any other UK organisation.”

Mandy Lockett, International Business Director, East Lancashire Chamber of Commerce, “The Chamber is the authoritative voice of business and East Lancashire SME’s must be heard, we need to understand your concerns, risks and impact a future EU withdrawal will have on your business to feed direct into the think tanks of Government”

Laurie Thomas, Managing Director, Vision Support Services, a leading supplier and distributor of luxury, specialist and performance textiles to global hospitality, retail, healthcare and commercial laundry sectors. They export to 76 countries across the world and have an impressive group of trading partners. Laurie provided a list of top tips to be successful in the world market.

Laurie’s key tip was “Invest sufficient time because it takes a lot of time and effort to be successful.”

The final presentation of the morning was made by Helen Cowley, a partner at the International Trade Club’s sponsor Cassons. Helen spoke about the complicated rules about where VAT is charged when trading overseas. She outlined that VAT is charged depending on where the product or service is consumed and that different countries had different thresholds when it came to registering for VAT in a particular country.

As for the future Helen said “Things will change when we leave the EU” so watch this space!

The next International Trade Club breakfast meeting takes place on Thursday 13th July starting at 8am and running until 10.30am. It includes breakfast and an opportunity to network with other like-minded businesses. For more information contact Marie White on 01254 356448 or email m.white@chamberelancs.co.uk.