



## **Brexit statement – November 2020**

### **Dear Customers and Suppliers of the Group headed by Barrett Steel Limited ('the Group')**

Following our Brexit Statement in August 2020, there is still not a trade deal agreed with the EU and we are heading towards the end of the transition period at 31 December 2020. Clearly nothing will change until 1 January 2021. We therefore set out our current position on Brexit and the impact for our business and customers following this date.

The importance of the steel industry to the UK economy and the requirement for steel in key national infrastructure projects, continues to provide us with some comfort that the UK government will make the transition as frictionless as possible whilst helping to maintain key supply chains.

However, whilst successfully navigating through the COVID 19 pandemic and related lockdowns, and keeping all sites operational throughout, we have continued to plan for the various Brexit scenarios in order to remain as agile as possible.

As previously reported, we have mapped out our supply chain, have an GB EORI number in place and an EU (XI) EORI number applied for, maintained a strong stock range, documented our incoterms, custom codes and goods classification and had professional advice and training on potential VAT/customs changes. We have also had regular dialogue with BEIS to understand the latest position and to ask questions relevant to our stakeholders.

As a company we are well versed with the demands of home and international trade, we have every confidence in the skill and expertise of all our staff to be able to cope with any changes in import and export procedures.

The key impact areas for our Group continue to be the importing of steel and capital equipment, the outcome of the Irish border agreements, the impact of quotas and tariffs, CE marking and fluctuations in foreign exchange rates. Taking each of these in turn:

We have strong relationships with domestic suppliers for the majority of our steel products which will help us successfully navigate the impact of Brexit.

The Irish border situation is still not fully resolved, however we still expect that from 1 January 2021, for trade between Northern Ireland and the Republic of Ireland, there will be no border checks, no customs declarations, no tariffs and no changes to VAT. We also understand that the current trading rules between Northern Ireland and the EU will continue as is. We are awaiting further guidance on UK to Northern Ireland trade including the new customs formalities and checks, Goods Vehicle Movement Service and operation of a dual VAT system, but the government has announced that this will be as streamlined and simplified as much as possible.

Both the UK and EU have recently announced quotas that will be implemented from 1 January 2021 to 30 June 2021. We have considered our customers and supply routes and believe that we will be able to operate within these quotas, with the main uncertainty outstanding being around the implementation of quotas and tariffs for goods travelling from UK mainland to Northern Ireland which may be 'at risk' of going into Southern Ireland. We have confidence from trading under the umbrella of The European Commission's steel safeguarding measures for over 2 years, that if any further protectionist measures are installed, we have the necessary experience to deal with these.

We understand that CE marking will continue to be accepted in both the EU and the UK. We are awaiting further guidance on the proposed UK Conformity Assessed (UKCA) marking and are speaking to the UK mills. Common sense would see the marking standards being equivalent / dual certified.

We continue to take a risk averse approach to foreign exchange and use hedging instruments where appropriate.

As a final note we would like to reassure all customers, both domestically and internationally that we will continue to work hard to meet your requirements and should you have any further specific needs or concerns, please do not hesitate to get in touch with your normal point of contact within the Group.

**James Barrett**  
**Group Managing Director**